

General info

What is the exact title of the session?

Transatlantic Economic Growth and Innovation

What is the timing?

Thursday 1 July from 11:15 – 12:30

What is the framework of the session?

Barack Obama is now in his second year of his Presidency, which seems to have restored European faith in American foreign policy. Obama already received the Nobel peace prize as a token of support. But what has the Obama administration done concretely to defrost the transatlantic alliance? Did the most important economic bond in the world benefit from the new 'yes-we-can' policy and if so, in what way? Conversely, how US-focused is the new EU administration? What are the major issues between the two biggest trade blocs in the world? What can Europe do to further smoothen economic and business relations?

Introduction: the topic

After the Second World War and during the Cold war the transatlantic relationship became the strongest economic relation in the world. But since a few decennia the world has changed fast and other economic powers are rising. The BRIC-countries are the talk of town in every western capital. The United States and Europe should recast their relationship as a more effective and strategic partnership. Sometimes one gets the impression that this historically strong EU-US relationship is taken for granted by the partners or, even worse, is evaluated as not anymore important for the future. This would be a terrible mistake. A good and prospering transatlantic relationship in a multipolar world is indispensable for our economies. The aim is to reduce remaining tariff barriers, overcome regulatory obstacles, remove investment restrictions, and align future standards in ways that create jobs and promote mutual and sustainable prosperity while protecting health and safety. But it is not enough, an EU-US-partnership should be an active player in the world economy. The discussions and proposals for a global new financial governance after the financial crisis can be an important first step. The EU and the US thoroughly have to consider what their role is in a new world order and on the base this self reflection a renewed strategic economic alliance has to be built.

Main issues at European level

The challenge for the transatlantic economic relation between the United States and the European Union is to reach the level of importance as the NATO partnership in the past. At this moment, together, the US and the EU generate 60 percent of world GDP. But the EU can learn from the culture of entrepreneurship that exists in the US. Discussions on flexibility do not only concern more flexible labour markets, it implies also a more favourable environment for risk takers. The EU should learn from the US how good ideas are put into new product and services and how small and medium sized enterprises grow to multinational corporations. And also the US can learn from the EU. But seems extremely difficult to get the attention of the Obama administration for a real transatlantic dialogue. After the approval of the Lisbon Treaty, it is of paramount importance to correctly explain in the United States, who is in charge for what competence. A one and only speaking point remains key for in depth transatlantic discussions. Also, the US has to be sure that the position defended by this spokesperson is backed by all member states. In any case the EU needs to demonstrate its ability to reform its economy in order to become an attractive partner for the US.

Challenges in the short and long term

Challenges in the short term

- Define standards for products and services in the green economy.
- Agree on a common approach to climate change.
- Finalize the negotiations on the new global financial regulation.
- Mutually commit to find a fast agreement in the DOHA round.

Challenges in the long term

- Continue the mutual economic investments.
- Define a shared vision on international security issues.
- Develop a common strategic approach on energy provision and energy independence.

Possible questions to be discussed during the session

5 Most relevant questions to be discussed during this session

Question 1:

How could the finalisation of the Doha Round reinforce the transatlantic relationship? Will US Congress ever be able to agree on a new global trade agreement?

Question 2:

How can remaining tariff barriers between the US and the EU be reduced, which investment restrictions should be removed and which future standards should be aligned in ways that create jobs and promote mutual and sustainable prosperity while protecting health and safety? What are the key measures in the EU 2020 strategy to foster transatlantic growth?

Question 3:

How credible can the EU and the US lead the way to a new global financial regulation? How can this reform be backed by countries in the emerging markets with big surpluses in their current account?

Question 4:

Can the US-EU relationship develop guidelines for a global agreement on climate change? How can one overcome the existing and fundamental differences in this matter? What can the US and the EU learn from each other as regards policies on energy efficiency?

Question 5:

Defense expenditures are often drivers for innovation? But the budgets in the US and in the EU are under big stress? Is it possible to realize a transatlantic defense market? What are the constraints to overcome?

Further reading

Provide 3 interesting weblinks for further reading

1. <http://www.state.gov/p/eur/rls/rm/2009/124870.htm> : Statement of Philip H. Gordon, Assistant Secretary, Bureau of European and Eurasian Affairs, before the Subcommittee on Europe of the House Foreign Affairs Committee. Washington, DC. June 16, 2009.
2. <http://transatlantic.sais-jhu.edu/index.htm> : Center for Transatlantic relations.
3. <http://www.tabd.com> : Transatlantic Business Dialogue.
4. http://www.iss.europa.eu/uploads/media/The_Obama_Moment_web_A4.pdf : The Obama Moment, European and American perspectives. EU Institute for Security Studies 2009.

Provide 3 articles/books for further reading

1. Deep integration – how transatlantic markets are leading globalization by Daniel Hamilton and Joseph Quinlan – Centre for European Policy Studies. June 2005.
2. Shoulder to Shoulder : Forging a Strategic U.S.-EU Partnership by Daniel Hamilton and Frances Burwell. December 2009.
3. http://www.gmfus.org//doc/Quinlan_2025_final.pdf - The shape of the future – the transatlantic economy by 2025.
4. http://www.tabd.com/storage/tabd/documents/tabd_summit_recommendations_2009-2010.pdf - Report of TABC – Building a Transatlantic Innovation Economy. October 2009.

