

INTA4803-AY2/8803-AY2

Transatlantic Relations

SPRING 2013

TU,TH 1505-1625

LOCATION: College of Computing 52

Course Website: <https://t-square.gatech.edu/>

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Introduction

Despite the rapid rise of China and the other emerging economies, Europe is by far the United States' most important economic partner. It is also a critical political partner, as underlined in the war in Afghanistan, the intervention in Libya, sanctions against Iran and intelligence cooperation in the war on terror. This course analyses the politics of governing this crucial relationship. It aims to help students to understand why different aspects of the relationship between the United States and the European Union are characterized by cooperation, conflict and competition. The course concludes with a simulated negotiation over a contemporary transatlantic issue. The course counts towards the Certificate in European Union Studies and the Certificate in European Affairs.

Intended learning outcomes

By the end of this course, students should be able to:

- demonstrate an understanding of the importance of the transatlantic relationship;
- identify the key features of transatlantic relationship and how they have changed over time;
- identify the most important forms and patterns of transatlantic economic exchange;
- evaluate the preferences and power resources of the US and EU;
- analyze, interpret and explain developments in the management of the transatlantic relationship; and
- advance reasoned and factually supported arguments both orally and in writing.

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Course overview

INTRODUCTION			
1.	1/8	Introduction	
2.	1/10	Scale and scope of the transatlantic relationship	
3.	1/15	Why the TA relationship matters	
4.	1/17	History and architecture of the relationship	
TRANSATLANTIC COMPARISONS			
5.	1/22	Varieties of capitalism and worlds of welfare states	
6.	1/24	European integration and institutions	
7.	1/29	Comparing regulatory policies	
8.	1/31	Comparing innovation policies	
9.	2/5	Comparing trade policies	
10.	2/7	Comparing macroeconomic policies	
11.	2/12	Comparing foreign policies	
12.	2/14	Comparison and the importance of differences	
13.	2/19	Mid-term exam	Guidance on dispute case studies & on position briefing paper
TRANSATLANTIC RELATIONS			
14.	2/21	Multilateral trading system: Making the rules	
15.	2/26	Transatlantic trade disputes	Dispute case studies & presentations.
16.	2/28	The Doha Round: Frustrated leadership?	
17.	3/5	Competitive liberalization?	
18.	3/7	Regulatory conflict and cooperation	
19.	3/12	The Global Financial Crisis and the Eurozone debt crises	
20.	3/14	Security in the transatlantic economic relationship	
	3/19	Spring Break	
	3/21	Spring Break	
21.	3/26	Foreign policy cooperation and competition	
22.	3/28	Dealing with the BRICs	
NEGOTIATION SIMULATION			
23.	4/2	Guidance on polity papers/negotiations	Position briefing paper
24.	4/4	Polity position I	
25.	4/9	Polity position II	Polity position paper
26.	4/11	Polity negotiation preparation	
27.	4/16	Transatlantic negotiation I	
28.	4/18	Transatlantic negotiation II	
29.	4/23	Reflection	
30.	4/25	PROSPECTS	

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Course materials

This course is supported by a text book:

McGuire, Steven and Smith, Michael (2008), *The European Union and the United States: Competition and Convergence in the Global Arena*, PalgraveMacmillan.

We will also be making extensive use of other resources. These will either be available on the web (denoted by **(w)**), through the GT library (**(l)**) or on t-square (**(t)**).

In order to access electronic journal articles through the library website:

- click on 'eJournals' on the left-hand side of the library homepage (under 'research tools');
- type the name of the journal in the search box;
- select the database option that includes the appropriate issue of the journal;
- browse the journal to the appropriate volume and issue.

Class communication

- Communication will be by email – **students should check their email daily**.
- T-Square (www.t-square.gatech.edu/portal) will be used to post course materials.

Course requirements

In order to get the most out of the course and to be able to participate effectively in class, students are expected at a minimum to read and reflect upon required readings before class and to read the *Financial Times* (daily) and the *Economist* (weekly). Both are accessible through the GT Library.

Assignment	Date due	Maximum points possible	Share of total
Mid-term	2/19	500	25
Trade dispute case study	2/26	200	10
Dispute case presentation	2/26	200	10
Position briefing paper	4/2	400	20
Polity position (group)	4/9	200	10
Contribution to the negotiation (group)	4/16 & 4/18	200	10
Class participation	continuous	300	15
TOTAL		2000	100

Students taking the course for graduate credit (**8803**) will in addition have to demonstrate leadership in the group exercises.

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Extra-credit assignment (10 points for a serious effort)

Write a reflective summary (no more than 500 words) of a quest lecture to be announced. An edited version of the best summary will be posted on my project website.

Late assignments will NOT be accepted, except for medical or personal emergencies upon verification.

Grades

Grade	Points	Descriptors
A	20	Exceptionally good performance demonstrating a superior understanding of the subject matter, a foundation of extensive knowledge, and a skillful use of concepts and/or materials.
	19	
	18	
B	17	Good performance demonstrating capacity to use the appropriate concepts, a good understanding of the subject matter, and an ability to handle the problems and materials encountered in the subject.
	16	
	15	
C	14	Adequate performance demonstrating an adequate understanding of the subject matter, an ability to handle relatively simple problems.
	13	
	12	
D	11	Minimally acceptable performance demonstrating at least partial familiarity with the subject matter and some capacity to deal with relatively simple problems, but also demonstrating deficiencies serious enough to make it inadvisable to proceed further in the field without additional work.
	10	
	9	
F	<8	Did not demonstrate familiarity with the subject matter, nor the capacity to deal with simple problems in a manner recognizable to the consensus of mainstream academic practitioners within the field.

Grade Change Policy

Simple computational or clerical errors should be brought to my attention immediately. Legitimate requests for grade changes are welcome and encouraged. You should, however, resist the temptation to file a frivolous request just hoping to “get lucky”. Approach a grade change request as if arguing a legal case: you should have strong and convincing arguments and evidence to support your request. Be aware that appeals to the practices of other professors generally do not constitute good argument or evidence. Note also that grade changes requests can result in re-grades both up or down (or left unchanged). That is, if the greater scrutiny demanded by a grade change request reveals your assignment to deserve a lower grade than previously awarded, then the lower grade may be assigned.

Special Accommodations

Students requesting academic accommodations based on a documented disability are required to register with the Access Disabled Assistance Program for Tech Students (ADAPTS). Please obtain a form from the ADAPTS office and turn it in to me during office hours or in class in the beginning of the semester. (<http://www.adapts.gatech.edu>).

Class conduct

- **All cellphones, blackberries, and other telecommunications devices are to be switched off during class.**
- **Computers are not to be used in class without express permission;**
- Absences for medical or personal emergencies will be excused upon verification by the instructor. Absences for school athletics will be excused only if they are in accordance with the schedules approved and circulated by the Student Academic & Financial Affairs Committee for Travel or the Associate Athletic Director (Academic Services). Absences due to military service will be handled on a case-by-case basis and subject to verification
- Course participants will treat each other with respect. Constructive questioning and criticism are welcome, even encouraged. Personal attacks and insults are not. The rule of thumb here is that critical comments and questions should be maturely phrased in a manner that encourages constructive and open debate; they should not be phrased as insults, threats, or in a manner that shuts down discussion.
- Students are expected to read and abide by the Georgia Tech Student Code of Conduct and the Academic Honor Code. All violations will be reported. The complete text of these two Codes may be found at: www.deanofstudents.gatech.edu/integrity/policies/index.html (see 'Academic Misconduct' below).

Academic misconduct

According to the Georgia Tech honor code,¹ academic misconduct is any act that does or could improperly distort Student grades or other Student academic records. Such acts include:

- Possessing, using or exchanging improperly acquired written or verbal information in the preparation of any essay, laboratory report, examination, or other assignment included in an academic course;
- Substitution for, or unauthorized collaboration with, a Student in the commission of academic requirements;
- Submission of material that is wholly or substantially identical to that created or published by another person or person, without adequate credit notations indicating authorship (plagiarism).

Of these plagiarism requires particular elaboration in the context of this course.²

The incorporation of material without formal and proper acknowledgement (even with no deliberate intent to cheat) can constitute plagiarism. Work may be considered to be plagiarized if it consists of:

- a direct quotation;

¹ <http://www.osi.gatech.edu/plugins/content/index.php?id=46>

² This statement is adapted from the University of Glasgow's Plagiarism Statement, which is contained in the University Calendar (p.49). Available at: http://www.gla.ac.uk/media/media_165329_en.pdf#page=49&view=fitH,350

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- a close paraphrase;
- an unacknowledged summary of a source;
- direct copying or transcription.

Any failure to acknowledge adequately or to cite properly other sources in submitted work is plagiarism.

Special cases of plagiarism can arise from a student using his or her own previous work (termed auto-plagiarism or self-plagiarism). Auto-plagiarism includes using work that has already been submitted for assessment.

Guidance on appropriate citation will be provided during the course.

Detailed course outline

I INTRODUCTION

1/8 Introduction

This class will explore what participants know and think about the transatlantic economic relationship through a 'pub' (trivia) quiz and a survey. It will also provide a substantive and administrative overview of the course.

[Class survey](#)

1/10 Scale and scope of the transatlantic relationship

This class will introduce the importance of and dimensions to the transatlantic economy. In doing so it will stress the scale and variety of economic ties between the EU and US and situate the relationship in context.

Reading

Hamilton, D. S. and Quinlan, J. P., (2012), *The Transatlantic Economy in 2012*, Executive summary. Available at: http://transatlantic.sais-jhu.edu/publications/books/Transatlantic_Economy_2012/120321_pocket_TAE_final.pdf (w)

1/15 Why the transatlantic relationship matters

This class will identify some of the ways in which developments in the US affect the EU and vis versa. It will also consider clashes between the two and instances where they have worked together.

Assignment

Find an example of one transatlantic interactions in the news in the past month and be prepared to present it in class.

1/17 History and architecture of the relationship

The transatlantic relationship has its roots in the the early years of the Cold War. The global balance of power, the nature of economic exchange and the EU have all changed dramatically since then. This class will survey those developments and consider their implications for the transatlantic relationship. In particular, it will introduce the institutional architecture of the relationship, which will be explored in greater detail during the remainder of the course.

Reading

McGuire and Smith, Chs. 1 and 2.

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II TRANSATLANTIC COMPARISONS

1/22 Varieties of capitalism and worlds of welfare states

Even among the capitalist countries of the US and western Europe there are wide differences in how capitalism is structured. This class will introduce these differences, explore their origins and highlight their implications for transatlantic relations. This class will also illuminate differences among western European states.

Reading

Hall, P. A. and Soskice, D. (2001), 'An Introduction to Varieties of Capitalism,' in P. A. Hall and D. Soskice (eds), *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*, Oxford University Press, 6-21. (t)

Steffton, T. (2006), 'Distributive and Redistributive Policy,' in M. Moran and R. E. Goodin (eds), *The Oxford Handbook of Public Policy*, Oxford University Press, 611-14. (t)

1/24 European integration and EU institutions

The EU is a distinctive kind of international actor. This class will provide a brief introduction to the EU, highlighting those aspects of European integration and those EU institutions most pertinent to transatlantic relations.

Reading

Wallace, H. (2010), 'An Institutional Anatomy and Five Policy Modes,' in H. Wallace, M. A. Pollack, A. R. Young (eds), *Policy-Making in the European Union*, 6th edn, Oxford University Press, 70-89. (t)

1/29 Comparing regulatory policies

Regulations govern the terms on which goods and firms can enter markets and how products are produced. The EU and US are the world's two most important regulators, but they can pursue very different regulatory policies. This class examines the dimensions and origins of the differences.

Reading

Vogel, D. (2012), *The Politics of Precaution: Regulating Health, Safety and Environmental Risks in Europe and the United States*, Princeton University Press, 1-6, 22-42. (t)

1/31 Comparing innovation policies

The EU and the US have traditionally dominated the creation of new knowledge, although this has begun to be challenged. In both the US and the EU innovation is regarded critical as it is a way to maintain competitiveness against low cost producers elsewhere. This class will introduce the political significance of the link between innovation and competitiveness and examine the

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different ways that the US and EU go about trying to enhance the competitiveness of their economies.

Reading

McGuire and Smith, Ch. 6

2/5 Comparing trade policies

There are broad similarities in how trade policy is made in the EU and US. These similarities, however, are not necessarily conducive to harmonious relations.

Reading

McGuire and Smith, 72-82.

Young, A. R. and Peterson, J. (forthcoming), *Global Parochial Europe: European Trade Politics*, Oxford University Press, Chapter 3. (t)

Destler, I. M. (2005), *American Trade Politics*, 4th edn., Institute for International Economics, 309-30. (t)

2/7 Comparing macro-economic policies

The Eurozone and the US are the world's two largest currency blocks, and the dollar and the euro are the world's two most used currencies. Both have independent central banks, albeit with critical differences, but have very different fiscal policies. This class will introduce macro-economic policy making in the two polities and identify challenges these differences pose within the polities as well as between them.

Reading

McGuire and Smith, Chapter 4.

Cohen, B. J. (2009), The Future of Reserve Currencies,' *Finance & Development*, September, 26-9. <http://www.imf.org/external/pubs/ft/fandd/2009/09/pdf/cohen.pdf> (w)

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2/12 Comparing foreign policies

The US is often considered the archetypal foreign policy actor. The EU, by contrast, is often portrayed as a brand new and unique international actor. This class will examine both how foreign policy is made in the two polities and the characteristics of the foreign policies they pursue.

Reading

McGuire and Smith, Chapter 9.

Kagan, R. (2002), 'Power and Weakness: Why the United States and Europe See the World Differently,' *Policy Review*, 113, available at <http://www.hoover.org/publications/policy-review/article/7107> (w)

Kagan, R. (2012), 'A Comment on Context', *Policy Review*, 172, Available at: <http://www.hoover.org/publications/policy-review/article/112376> (w)

Cooper, R. (2012), 'Hubris and False Hopes,' *Policy Review*, 172, Available at: <http://www.hoover.org/publications/policy-review/article/111641> (w)

2/14 Comparison and the importance of difference

This class will reflect on the classes in the transatlantic comparisons section. In doing so it will identify areas of similarity and difference and consider how these underpin and/or complicate the transatlantic relationship. It thereby provides as spring-board for the subsequent classes, which examine transatlantic cooperation and competition in different aspects of their economic relationship.

2/19 Mid-term exam

Guidance on dispute case studies & on position briefing papers, as well as trade dispute allocation.

III TRANSATLANTIC RELATIONS

2/21 The Multilateral Trading System: Making the Rules

The multilateral trading system began as a transatlantic project. This class examines those origins and introduces the key principles of the trading system. It also examines how the trading system has developed over time through the creation of World Trade Organization and the current set of rules governing international trade..

Reading

McGuire and Smith, 82-7.

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Young, A. R. and Peterson, J. (forthcoming), *Parochial Global Europe: The Politics of EU Trade Policy*, unpublished manuscript, Ch. 4 pp. 4-12 and 15-28. (t)

2/26 Transatlantic Trade disputes

Transatlantic disputes have figured prominently in the WTO's dispute settlement mechanism. In addition, these disputes have colored perceptions of the transatlantic relationship. This class will provide an overview of transatlantic disputes and put them in context. In particular we will examine the politics that influence decisions to initiate complaints and whether, when and how there is compliance. The class will be informed by case studies of prominent disputes.

Trade dispute case studies due

Present case studies.

Reading

McGuire and Smith, 91-4.

Pollack, M. A., (2003), 'The Political Economy of Transatlantic Trade Disputes,' in E.-U. Petersmann and M. A. Pollack (eds), *Transatlantic Economic Disputes: The EU, the US and the WTO*, Oxford University Press, 65-81 (t)

WTO, 'Understanding the WTO: Dispute Settlement: A Unique Contribution' at:
http://www.wto.org/english/thewto_e/whatis_e/tif_e/disp1_e.htm (w)

2/28 The Doha Round: Frustrated leadership?

The current multilateral trade round was launched in 2001. Although progress has been made, it has been slow and painful. This class will explore how the changing balance of power in the multilateral trading system has diluted the capacity of the US and EU individually and collectively to influence the agenda.

Reading

McGuire and Smith, 87-91.

Young, A. R. and Peterson, J. (forthcoming), *Parochial Global Europe: The Politics of EU Trade Policy*, unpublished manuscript, Ch. 4 pp. 28-43. (t)

3/5 Competitive liberalization?

Both the EU and the US have sought to conclude trade agreements with other countries. These initiatives have been characterized by policy makers and academics as 'competitive liberalization.' This class examines these arguments and considers why the US and EU seek to conclude preferential trading agreements with other countries and why they might compete to do so.

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Reading

McGuire and Smith, Ch. 7.

Zoellick, R. (2003), 'Our Credo: Free Trade and Competition,' *Wall Street Journal*, July 10.
Available at: <http://singapore.usembassy.gov/071003.html>. (w)

European Commission (2006), *Global Europe: Competing in the World*, pp. 10-12. Available at:
http://trade.ec.europa.eu/doclib/docs/2006/october/tradoc_130376.pdf (w)

3/7 Regulatory conflict and cooperation

The differences in the EU's and US's concerns and approaches to regulation lead to different regulatory choices. These can present barriers to transatlantic trade. This class explores the extent of these barriers and the political dynamics that underpin efforts to reconcile them, as well as efforts to shape global rules.

Reading

ECORYS (2009), 'Non-Tariff Measures in EU-US Trade and Investment – An Economic Analysis,' pp. xvii-xxxvi. Available at:
http://trade.ec.europa.eu/doclib/docs/2009/december/tradoc_145613.pdf (w).

Young, A. R. and Peterson, J. (forthcoming), *Parochial Global Europe: The Politics of EU Trade Policy*, unpublished manuscript, Ch. 7 (t)

3/12 The global financial crisis and Eurozone debt crises

The 2008 financial crisis that began in the US sub-prime mortgage market spread swiftly to Europe. This class will identify the transmission belts of the crisis and compare how the US, the EU and EU member states responded to the crisis and what the effects and consequences of those responses have been. We will pay particular attention to the series of sovereign debt crises that have proliferated subsequently within the Eurozone.

Reading

Schelkle, W. (2012), 'Good Governance in Crisis or Good Crisis for Governance? A Comparison of the EU and The US,' *Review of International Political Economy*, 19/1, 34-58 (l).

The Economist, 'Special Report: Europe and Its Currency', November 12 2011: Sections on 'staring into the abyss,' 'The causes,' 'Austerity,' and 'In theory.' (w)

Federal Reserve Bank (2012), 'Monetary Policy Report to Congress,' 17 July, pp. 1-3 and 34.
Available at: http://www.federalreserve.gov/monetarypolicy/files/20120717_mprfullreport.pdf

3/14 Security in the transatlantic relationship

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Security issues are relevant to transatlantic economic relations in several ways. One side's counter-terrorism measures can impede trade with the other (e.g., container security and passenger name recognition). In addition, both The US and the EU on occasion use their economic weight to pursue foreign policy objectives un-related to trade. This class examines transatlantic coordination on these issues.

Reading

Rees, W. (2009), 'Securing the Homelands: Transatlantic Co-operation after Bush,' *British Journal of Politics and International Relations*, 11, 108-21. (I).

3/19 SPRING BREAK

3/21 SPRING BREAK

3/26 Foreign policy cooperation and competition

The US and most of the EU's member states belong to one of the world's most potent military alliances – the North Atlantic Treaty Organization. They also cooperate on a number of pressing foreign policy problems, including nuclear proliferation, the Arab Spring and the Middle East Peace Process. They do not, however, necessarily see eye-to-eye on these issues. In addition, the Iraq War split the member states of the EU. This class will explore the transatlantic differences in foreign policy approaches and the mechanisms for managing them.

Reading

To be announced.

3/28 Dealing with the B(R)ICS

One of the most striking features was the rise of emerging economies, particularly Brazil, India and China. This class will explore the challenges and opportunities their rises pose for the EU, the US and the transatlantic partnership and how the US and EU have responded to date.

Reading

Dumbrell, J. (2010), 'American Power: Crisis or Renewal?,' *POLITICS*, 30/s1, 15-23.(I)

Whitman, R. (2010), 'The EU: Standing Aside from the Changing Global Balance of Power,' *POLITICS*, 30/s1, 24-32.(I)

NEGOTIATION SIMULATION

4/2 Guidance on polity papers and negotiations

This class will discuss what is expected in terms of agreeing polity positions and participating in the negotiations. It will also introduce some tips and tactics for negotiations.

Position briefing paper due

Reading

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Conflict Research Consortium's summary of Roger Fisher and William Ury, *Getting to Yes: Negotiating Agreement Without Giving In*, (New York: Penguin Books, 1983). Available at: <http://www.colorado.edu/conflict/peace/example/fish7513.htm> (w)

4/4 Polity position I

During the class the instructor will meet with both teams individually to discuss their progress and suggest ways forward.

4/9 Polity position II

During the class both polity teams will meet separately to finalize their polity position papers. The instructor I will be available for consultation as required.

Polity position paper due by 5:00 p.m.

4/11 Polity negotiation preparation

During this class both polity teams will meet separately to decide how to go about presenting their position in the negotiations. The instructor I will be available for consultation as required.

4/16 Transatlantic negotiation I

Start of negotiations to agree a new transatlantic economic framework.

4/18 Transatlantic negotiation II

The deadline for agreeing a framework looms.

4/23 Reflection

This class will provide an opportunity to reflect on the process and outcome of the negotiations.

4/25 PROSPECTS

This course began by considering the origins of the transatlantic relationship and it has charted the sources of cooperation and conflict within it. This class will reflect on the material covered and outcome of the negotiation simulation to consider what the prospects are for the transatlantic economic relationship in the foreseeable future.

Reading

McGuire and Smith, Ch. 10.