UNIVERZITA
KARLOVA

Presentation:
EU and the US

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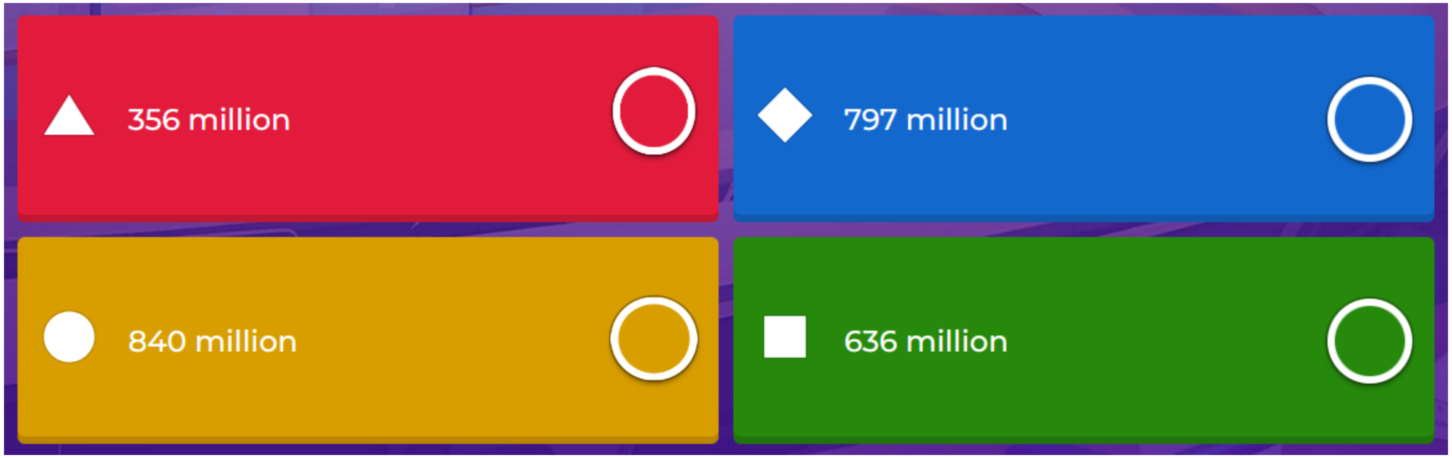
Outline

1. Introduction
2. Historical Background
3. Political and Institutional Relations
4. Economic Relations
5. Security and Defence Cooperation
6. Values
7. Contemporary Challenges and Future Outlook
8. Conclusion

1.1 Question to the Class

How many peole live in the U.S. and EU combined?



1.2 Introduction

European Union and United States of America:

- Together 797 million people
- EU and US largest bilateral trade and investment relationship in the world

➢ **Foundation of global geopolitical stability, economic prosperity, and shared values such as democracy, human rights, and the rule of law**

2.1 Historical Background -Before 2000

Post–WWII foundations:

- The U.S. played a central role in rebuilding Europe (Marshall Plan, 1948)
- shaping collective security through NATO (1949)

European integration begins:

- Creation of the ECSC (1951) and EEC (1957)

Cold War partnership:

- Close cooperation against the Soviet Union
- U.S. and Western Europe aligning politically, economically, and militarily

Toward the EU:

- The Maastricht Treaty (1993) formally established the European Union
- unified partner for the U.S.

2.2 Historical Background -After 2000

Counterterrorism & security cooperation:

- After 9/11, EU - US relations intensified
- around intelligence sharing, counterterrorism, and military operations

Economic interdependence & disputes:

- largest economic partners
- but recurring conflicts over issues like aircraft subsidies (Boeing vs Airbus), data privacy, and digital regulation

Institutionalized dialogue:

- Transatlantic Economic Council (2007)

Shifting geopolitics 2010s:

- Relations fluctuated due to divergent foreign policies and different approaches to global governance

Renewed cooperation since 2020:

- Re-alignment on climate policy, technology regulation, and support for Ukraine (Biden administration)

3. Politicial and Institutional Relations

Strategic importance

- Close partner in foreign, economic, and defense policy
- Traditional cooperation on global challenges

➢ **Structured through multiple formal agreements and cooperative frameworks**

Transatlantic Declaration (1990)

- Regular political dialogues and summit meetings
- focusing on *economy, education, science, culture*

New Transatlantic Agenda (1995)

- Set broad objectives:
  - *promoting peace and stability,*
  - *responding to global challenges,*
  - *expanding world trade,*
  - *and building bridges across the Atlantic through people-to-people initiatives*

3. Institutional Relations: Interparliamentary Cooperation

Transatlantic Legislators’ Dialogue (TLD)
-> biannual meetings for Members of the European Parliament and the U.S. House of Representatives

Focus areas:

- *trade and economic relations*
- *digital and AI policy*
- *foreign policy coordination*
- *security and defense*
- *energy and environmental transitions*
- *regulation, agriculture, and supply chains*

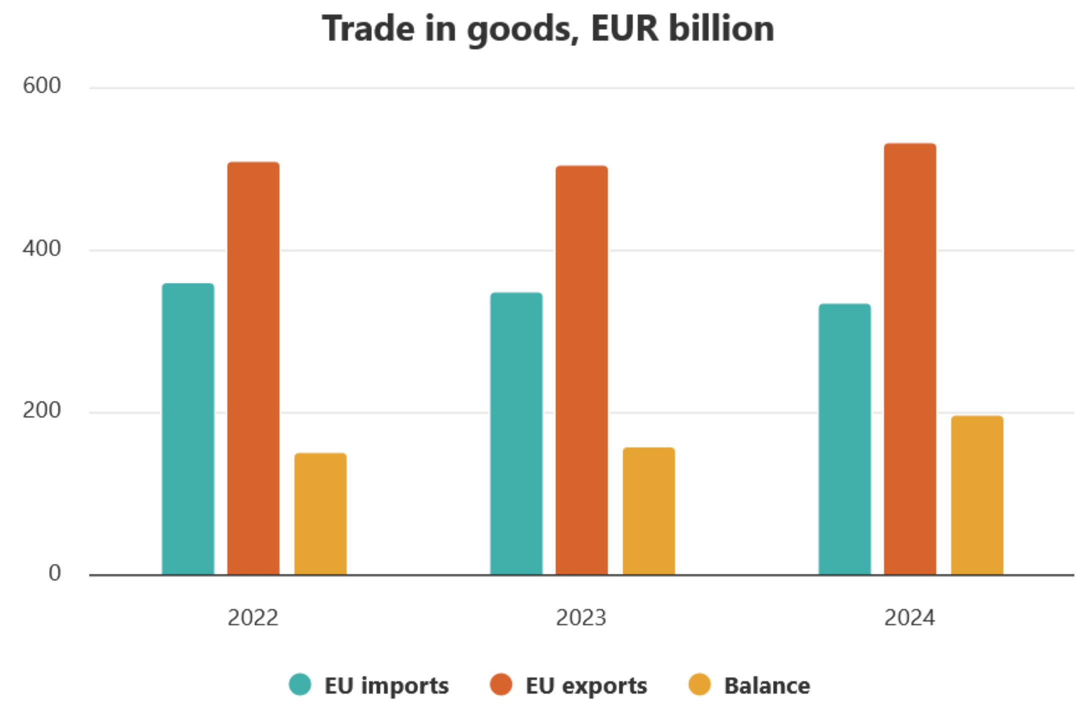
90th TLD meeting

- **June 2025 in Warsaw, Poland**
- Discussions addressed Ukraine and Security, New Technologies and Global Trade
- Conclusion: joint statement reaffirming commitment to ongoing political dialogue

4. Economic Relation –Total Numbers

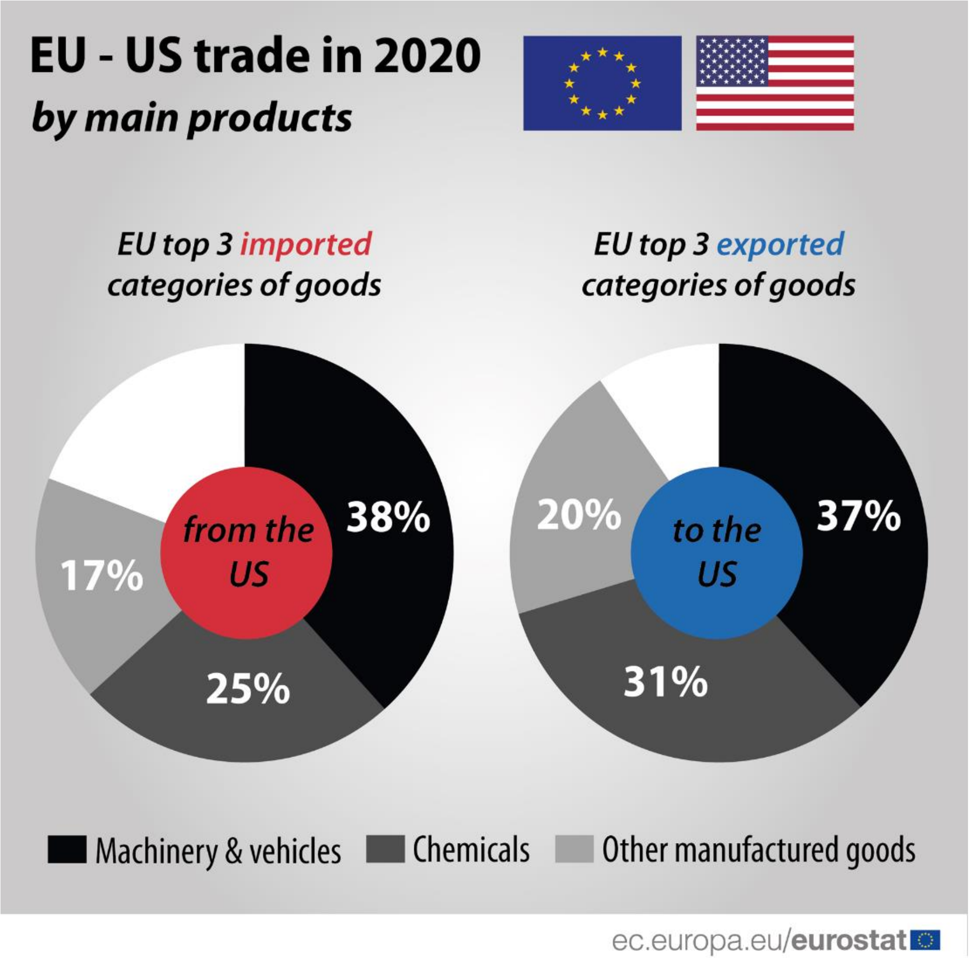
EU and US largest bilateral trade and investment relationship in the world

- €1.6 trillion the value of EU-US trade in goods and services in 2024
- over €4.2 billion of goods and services crossing the Atlantic every day
- EU and US firms have €4.7 trillion worth of investment in each other's Markets



➢ **together, the EU and the United States account for 43% of global GDP and almost 30% of global trade in goods and services**

4. Economic Relation –Total Numbers



Main products

- Machinery and vehicles
- Chemicals
- Oher manufactured goods

Main trade Partners for EU-Export

- Germany (€104.1 billion)
- Ireland (€47.7 billion)
- Italy (€42.5 billion)
- France (€32.7 billion)

4. Economic Relation -Overview

Shared Economic Ideology:

- Liberal capitalist principles
- Members of global economic forums: WTO, IMF, World Bank, G7 and Transatlantic economic forum

Financial Interdependence

- Highly interdependent: US dollars role as global reserve currency, energy supplier for the EU
- **Example:** U.S. crises (like the 2008 crash) quickly impacted Europe

Trading Agreements: TIPP

->major free-trade agreement

- 2013 talks about the Transatlantic Trade and Investment Partnership
- Under Obama and Jucker (European Commission)
- Never concluded; closed in 2019
  - Controversial topics included regulatory alignment, investor-state dispute settlement (ISDS), and sensitive sectors

➢ Despite no comprehensive free trade deal, tariff levels have declined via WTO (2020)

4. Economic Relation -Tariffs & Trade Frictions

Trumps Second Term

- 2025 the U.S. imposed 30% tariff rate on the EU

EU's Reaction

- Retaliation package (~ €26 billion) targeting U.S. goods
- Later, the EU paused these countermeasures for 90 days to allow space for negotiation

"America first."
"They are cheating."
-Donald Trump

4. Economic Relation –Tariffs & Trade Frictions

Outcome: New US – EU Trade Deal

- US tariff ceiling of 15% for most EU exports
- 50% tariffs remain for EU steel, aluminum and copper
- EU Commitments:
  - EU buys an additional $750 billion in US energy products
  - and make investments worth $ 600 billion in various sectors in the US by 2029

4. Economic Relation –Tariffs & Trade Frictions

New US – EU Trade Deal: Reactions and Criticism

“The biggest deal of them all.”
Donald Trump

“Best deal we could get under very difficult circumstances.“
Maroš Šefčovič (EU Trade Commissioner)

*“It is a **dark day** when an alliance of free peoples, brought together to affirm their common values and to defend their common interests, resigns itself to submission.”*
Bayrou (French PM)

5. Security and Defense Cooperation: Foundations

NATO as the core institution anchoring the transatlantic link since 1949.

- Security cooperation grounded in:
  - Collective defence
  - Deterrence against Russia
  - A liberal idea of security (democracy + markets + stability)
- Structural asymmetry:
  - US = global hard power provider
  - EU = multilateral diplomacy, crisis management, soft power

5. Transatlantic Security Under Stress: Afghanistan, Iraq, Ukraine

Afghanistan (2001–2021)

- Start: unity under NATO Art. 5.
- Long-term divergence:
  - US → counterterrorism, military primacy
  - EU → state-building, multilateral frameworks
- 2021 withdrawal exposed European dependency and revived the debate on EU strategic autonomy.

Iraq (2003)

- Major political rupture.
- US framed war as pre-emptive self-defence.
- EU divisions but majority opposed due to: lack of UN mandate, legality concerns, destabilisation risks.
- Revealed fundamental difference: unilateral force (US) vs rules-based restraint (EU).

5. Transatlantic Security Under Stress: Afghanistan, Iraq, Ukraine

Ukraine (2014–present)

- Renewed transatlantic unity but with different strategic logics:

  - US → great-power competition & containment of Russia

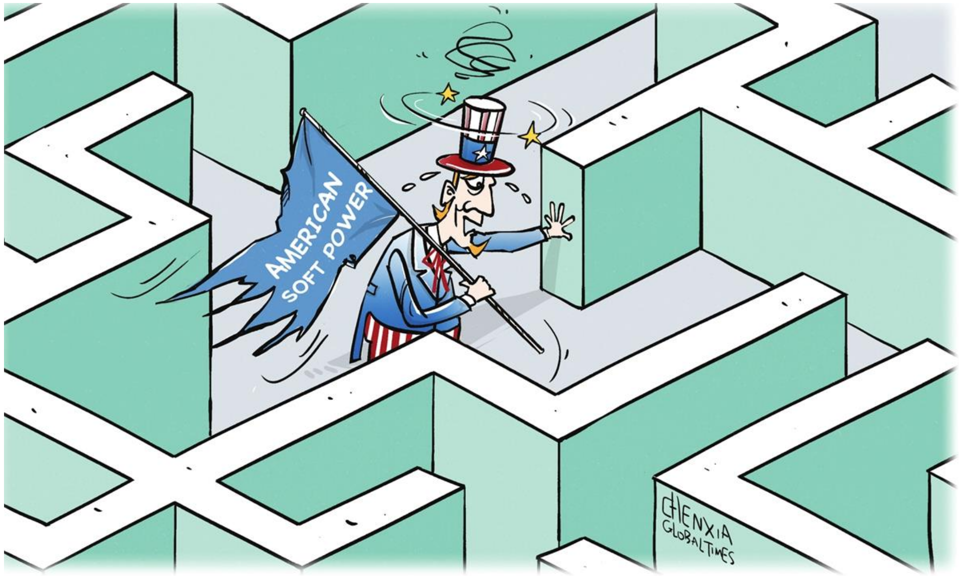
  - EU → defence of European security order

- Complementary contributions: US military aid; EU sanctions & economic support.

6. Shared Values: A Common but Evolving Normative Framework

- Historically, EU–US relations presented as a partnership of democracy, rule of law, human rights, market economy, multilateralism.
- Since the 2000s → divergence in interpretation of these values.
- **EU model**: post-modern sovereignty, shared governance, strong legalism, universal human-rights standards.
- **US model**: sovereignty-first approach, flexible interpretation of international law, selective multilateralism.

* Values remain shared in principle but differ in application, legal status, and universality.



6. Human Rights Frictions: Death Penalty & Torture

Death Penalty

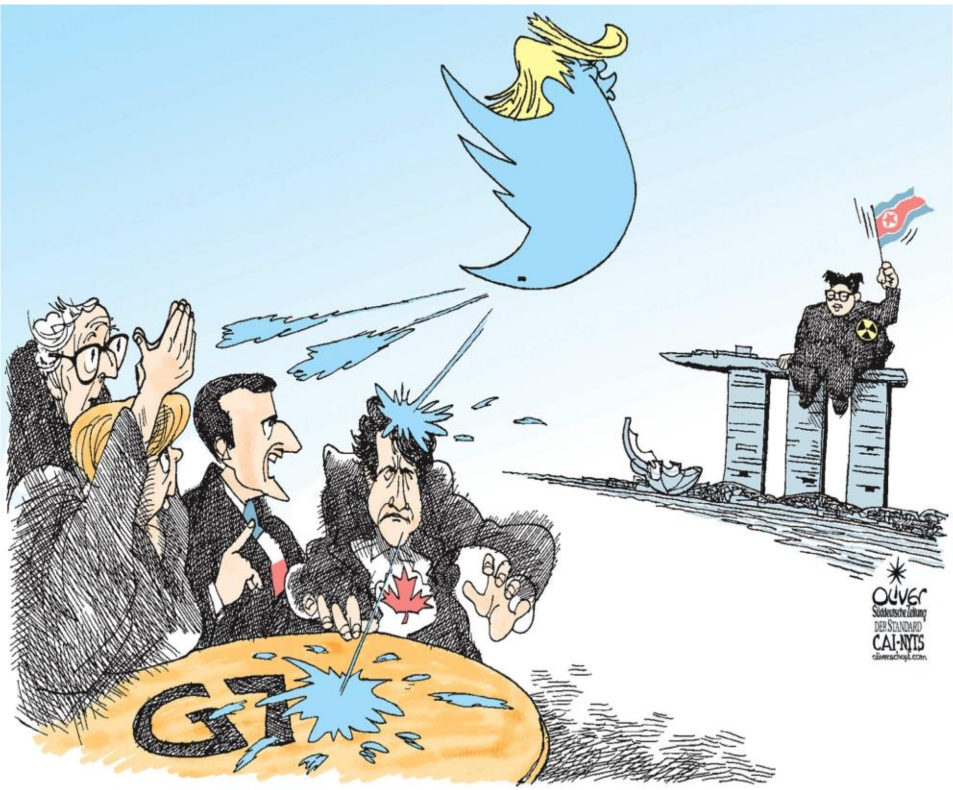
- **EU**: absolute rejection; abolition as identity norm; global abolitionist diplomacy; restrictions on extradition & trade in execution materials.
- **US**: retained in federal and many state systems; framed as domestic sovereign prerogative.

Torture

- EU: prohibition is absolute, universal, and non-derogable (core norm of liberal order)
- US post-9/11: “enhanced interrogation techniques” → challenged both **validity** (exceptions allowed in emergencies) and **scope** (narrow definition; Guantánamo exemptions) of the norm. (Lesch, Zimmermann, & Deitelhoff, 2024)
- Allies and UN Committee Against Torture rejected US reinterpretation.
- Highlights clash between **sovereignist exceptionalism (US)** and **rule-based universalism (EU)**.

6. US Sovereignism and the Crisis of the Liberal International Order

- Post–Cold War: US had legitimacy, power, and will to lead the LIO.
- Recent shift: from order-upholding to order-challenging behaviour. (Barbé, 2020)



1. **Zero-sum nationalism** (“America First”): prioritises unilateral interests over global governance.
2. **Normative deinstitutionalization:** withdrawal/blocking of treaties (Paris, JCPOA, arms control).
3. **Return to classical sovereignty:** self-help logic visible during COVID.
4. **Contestation of core norms** (e.g., torture): challenges foundational principles of the LIO.

7. Contemporary Challenges and Future Outlook

Challenges

- **Electoral volatility in the U.S.:** rapid policy reversals on climate and rights.
- **EU internal fragmentation:** nationalism and sovereigntist pressures that reduce Brussels' coherence.
- **Bilateralisation:** Washington's temptation to deal directly with individual capitals rather than the EU as a bloc.
- **Erosion of trust:** normative exceptions (torture, death penalty flexibility) degrade legal and operational cooperation.
- **Second Trump administration:** uncertainty of future cooperation
- **Economic failure of free trade agreements** (like the TIPP)

8. Conclusions

- Security cooperation stays strong (NATO, Ukraine), but EU pushes for strategic autonomy.
- Normative cooperation remains difficult (privacy, climate, human rights).
- Security links strong but asymmetrical
- LIO crisis: US sovereignism vs EU multilateralism

➢ Relationship unlikely to collapse (economic ties are stronger than normative differences) → instead: managed divergence + selective convergence.

➢ Future = functional, interest-based partnership

Questions for the class

How does rising geopolitical competition (China, Russia) reshape EU–US cooperation?

Should the EU pursue greater strategic autonomy from the United States, even if this weakens NATO cohesion?

Thank you for Listening!

Malin Raaf and Paula Diaz

Seminar: „Understanding EU Politics“

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