

INTA 8803-AY2: Transatlantic Relations

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Office hours: T: 1-2; TR: 2-3 and by appointment

Tuesdays & Thursdays: 4:35 – 5:55

Course Description:

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 and sanctions against Iran and Russia. 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 Europe are characterized by cooperation, conflict and competition.

Learning Outcomes:

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

- *demonstrate the ability to describe the social, political, and economic forces that influence social behavior.*
- *demonstrate the ability to describe the social, political, and economic forces that influence the global system.*
- *compare and contrast differences in European and American cultural and ethical systems and be able to understand key issues with respect for a range of different variables. (Cultural and ethical awareness.)*
- analyze developments in the management of the transatlantic relationship.

Required Texts:

McGuire, S. and Smith, M. (2008), *The European Union and the United States: Competition and Convergence in the Global Arena*, Palgrave Macmillan.

Additional resources are available on the web (**w**), through the GT library (**l**) or on t-square (**t**).

List of Graded Assignments:

Assignment	Share of total
6 group policy papers (best 5 will count)	50
6 group presentations (best 5 will count)	25
Individual reflection paper	15
Class participation	10

Extra-credit assignments (50 points for a serious effort)

Write a reflective summary (no more than 500 words) of a guest lecture.

To count summaries must be submitted (by email) within a week of the event.

No more than two may be submitted.

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 19 18	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.
B	17 16 15	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.
C	14 13 12	Adequate performance demonstrating an adequate understanding of the subject matter, an ability to handle relatively simple problems.
D	11 10 9	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.
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.

Graduate students will be expected to play leadership roles in the group projects.

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.

Attendance Policy

Attendance is mandatory as is reading before class.

ADAPTS

The professor will work with ADAPTS so that all students have an equal opportunity for success. For information on ADAPTS, see <http://www.adapts.gatech.edu/>

Honor Code Statement:

Plagiarizing is defined by Webster's as “to steal and pass off (the ideas or words of another) as one's own: use (another's production) without crediting the source.”

If caught plagiarizing, you will be dealt with according to the GT Academic Honor Code.

For more information see: <http://www.honor.gatech.edu/plugins/content/index.php?id=9>

Course overview

Introduction		
1/6	Introduction	
1/8	Importance of the relationship	News story about Europe or the transatlantic relationship
1/13	Development of the relationship	
Case study 1: Transatlantic Trade and Investment Partnership		
1/15	Trade policy-making	
1/20	Regulatory policy-making	
1/22	Introduction to TTIP	Includes first group meeting
1/27	Group meetings with instructor	
1/29	Presentation: Objectives and redlines	Negotiation backgrounder
2/3	Group meetings with instructor	
2/5	Presentation: Negotiating strategy	Negotiating strategy
Case study 2: Crisis in Ukraine		
2/10	Foreign policy-making	
2/12	Background on Russia and crisis	Includes first group meeting
2/17	Group meetings with instructor	
2/19	Presentation: Political responses to crisis	Policy briefing
2/24	Background on Nato	
2/26	Future of Nato	
Case study 3: China as threat or opportunity		
3/3	Background on China	Includes first group meeting
3/5	No class	
3/10	Group meetings with instructor	
3/12	Presentation: How to respond to China's rise	Policy briefing
3/17	Spring Break	
3/19	Spring Break	
Case study 4: Internet governance		
3/24	Introduction to data protection	Includes first group meeting
3/26	Group meetings with instructor	
3/31	Presentation: How to address looming divergence	Policy briefing
Case study 5 Climate change		
4/2	Environmental policy-making	
4/7	Introduction to climate change policy	Includes first group meeting
4/9	Meeting with instructor	
4/14	Presentation: Paris: Objectives and redlines	Negotiation backgrounder
Case study 6: Dealing with transnational corporations		
4/16	Competition policy: Google and Microsoft	
4/21	Tax avoidance: Microsoft, Starbucks & Google	
Reflection		
4/23	Reflection and review	Reflection paper (individual)

Detailed course outline

1/6 Introduction

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

1/8 Importance of the transatlantic relationship

This class will introduce the importance of and dimensions to the transatlantic relationship. It will focus on Europe's economic and political importance to the U.S. and on the transatlantic relationship's place in global governance.

Reading

McGuire and Smith, Introduction

Hamilton, D. S. and Quinlan, J. P., (2014), *The Transatlantic Economy in 2014*, Executive summary.

At: http://transatlantic.sais-jhu.edu/publications/books/TA2014/TA2014_executive_Summary.pdf (w)

Assignment

Find a news story about the European Union or the transatlantic relationship from the past month and be prepared to present it in class.

1/13 Development of the relationship

The transatlantic relationship has its roots in 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.

Reading

McGuire and Smith, Chs. 1 and 2

Case study 1 Transatlantic Trade and Investment Partnership

The Transatlantic Trade and Investment Partnership (TTIP) negotiations, which were launched in July 2013, are the most ambitious inter-continental trade negotiations ever undertaken and seek to bridge the world's two largest economies.

1/15 Trade policy-making

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

Reading

McGuire and Smith, Ch. 3.

Young, A. R. and Peterson, J. (2014), *Global Parochial Europe: 21st Century Trade Politics*, Oxford University Press, Chapter 3 (t)

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

- 1/20 Regulatory policy-making**
Regulations govern the terms on which goods and firms can enter markets and how products are produced. The EU and U.S. are the world's two most important regulators, but they can and do adopt different regulatory policies. This class examines the dimensions and origins of these differences.
- Reading
Majone, G. (2011), 'Political Institutions and the Principle of Precaution,' in J.B. Wiener et al (eds), *The Reality of Precaution: Comparing Risk Regulation in the United States and Europe* RFF Press, pp. 411-32. (t)
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)
- 1/22 Introduction to TTIP**
This class will introduce the agreed objectives and key issues in the TTIP negotiations. The two **groups will also meet** to agree how they are going to go about preparing the policy briefing.
- Reading
Young, A. R. and Peterson, J. (2014), *Global Parochial Europe: 21st Century Trade Politics*, Oxford University Press, pp. 157-63; 167-76 (t)
High Level Working Group on Jobs and growth (2013), 'Final Report,' 11 February, Available at: http://trade.ec.europa.eu/doclib/docs/2013/february/tradoc_150519.pdf (w)
- 1/27 Group meetings with instructor**
The groups will meet individually with the instructor to discuss their progress on identifying their party's negotiating objectives.
- 1/29 Presentation: Objectives and redlines**
Each group will present its party's principal objectives and those issues on which it is not willing to compromise. There will be scope for questions and discussion.
- Negotiation backgrounder
- 2/3 Group meetings with instructor**
The groups will meet individually with the instructor to discuss how, in the light of the previous discussion, their party might go about realizing as many of its objectives as possible.
- 2/5 Presentation: Negotiation strategy**
Each group will present how it would seek to secure the best possible outcome. In the light of the presentations we will discuss the prospects for an agreement and what it might look like.
- Negotiating strategy

Case study 2 Crisis in Ukraine

In February 2014 Russia annexed Crimea in the wake of the collapse of the Ukrainian government. Subsequently hostilities have spread to eastern Ukraine. This territorial adventurism by an established power poses a major foreign policy challenge to both the United States and the European Union.

2/10 Foreign policy-making

The U.S. 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)

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)

2/12 Background on Russia and the crisis

The United States and the European Union have responded to Russia's aggression by imposing diplomatic and economic sanctions. There has been close coordination between the two sides, but they have different stakes and levers in the crisis. The two groups will also meet to agree how they are going to go about preparing the policy briefing.

Reading

Tsygankov, A. P. (2010), 'Russia's Power and Alliances in the 21st Century,' *POLITICS*, 30(S1), 43-51. (I)

McMahon, R. (2014), 'Ukraine in Crisis,' Council on Foreign Relations Backgrounder,' Available at: <http://www.cfr.org/ukraine/ukraine-crisis/p32540> (w)

2/17 Group meetings with instructor

The groups will meet individually with the instructor to discuss what their party's stakes are in the crisis, what their sources of influence might be, what they are already doing and what else might be done to influence Russia's behavior.

2/19 **Presentation: Political responses to the crisis**

Each group will present its analysis of the situation and what its party's preferences are regarding alternatives for further action. In the light of the presentations we will discuss the prospects for further transatlantic cooperation in trying to influence Russia.

Policy briefing

2/24 **Background on the North Atlantic Treaty Organization**

European states and the U.S. have long cooperated through the world's most intense military alliance – the North Atlantic Treaty Organization (Nato). Originally created to confront the Soviet Union in central Europe, Nato was re-purposed and has engaged in several out-of-area operations, including in Afghanistan. This class looks at how Nato works and what it does.

Reading

Howard, M. (1999), 'An Unhappy Successful Marriage: Security Means Knowing What to Expect,' *Foreign Affairs*, 78/3, 164-75 (I)

Hunter, R. E. (1999), 'Maximizing NATO: A Relevant Alliance Knows How to Reach,' *Foreign Affairs*, 78/3, 190-203 (I)

Brown, M. E. (1999), 'Minimalist NATO: A Wise Alliance Knows When to Retrench,' *Foreign Affairs*, 78/3, 204-218 (I)

Debating NATO, *New York Times*, 23 April 2013 (t)

2/26 **The future of Nato**

Russia's aggression in Ukraine has posed a new, old challenge to Nato. This class will consider how Nato has responded to that challenge and what more/else it might do.

Reading

Fogh Rasmussen, A. (2014), 'The Future of Euro-Atlantic Security,' Carnegie Europe, Available at: <http://www.carnegieeurope.eu/2014/09/15/future-of-euro-atlantic-security/hoxi> (w)

Albright, M. (2014), 'A United Front,' *Foreign Policy*, 4 Sept. (t)

Walt, S. M. (2104), 'NATO Owes Putin a Big Thank You,' *Foreign Policy*, 4 Sept. (t)

Hunter, R. E. (2014), 'NATO goes to Wales,' The European Institute, Available at: <http://www.europeaninstitute.org/index.php/237-european-affairs/ea-september-2014/1881-nato-goes-to-wales> (w)

Case study 3: China as threat or opportunity

China's 'rise' presents both geostrategic and economic challenges and opportunities to both the U.S. and the EU. The two parties have responded in very different ways, although they sometimes cooperate in their dealings with China.

3/3 **Background on China**

This class will describe China's rise and explore the issues it raises for the U.S. and EU. The two groups will also meet to agree how they are going to go about preparing the policy briefing.

Reading

Breslin, S. (2010), 'China's Emerging Global Role: Dissatisfied Responsible Great Power,' *POLITICS*, 30 (S1), 52-62. (I)

Brown, S. A. W. (2013), 'Power, Perception and Policymaking: The Foreign Policies of the US and the EU Towards China,' PhD thesis, University of Glasgow, Chapter 2. (t)

3/5 **No class**

3/10 **Group meetings with instructor**

The groups will meet individually with the instructor to discuss how their party views China's rise,

how they are responding and what else they might do.

3/12 Presentation: Responding to China's rise

Each group will present its analysis of China's and what its party's preferences about how to respond. In the light of the presentations we will discuss the prospects for transatlantic cooperation in dealing with China.

Policy briefing

3/17 Spring Break

3/19 Spring Break

Case study 4: Internet governance

3/24 Introduction to data protection

The U.S. and the EU pursue very different approaches to data protection. These differences have potentially profound economic implications because the EU's 1995 Data Protection Directive prohibits the transfer of personal data to countries that do not provide 'adequate' protection. The transatlantic differences are currently bridged by the 2000 'Safe Harbor Agreement,' but that is currently under threat from two distinct sources: 1) reform of the EU's data protection regime to make it even more stringent; 2) Edward Snowden's revelations about the extent of U.S. firms providing data to the U.S. government. Data protection is such a sensitive issue that it has been excluded from the TTIP negotiations. The two groups will also meet to agree how they are going to go about preparing the policy briefing.

Reading

Schwartz, P. M. (2013), 'The EU-U.S. Privacy Collision: A Turn to Institutions and Procedures,' *Harvard Law Review*, 126, 1968-2001. Available at:

<http://harvardlawreview.org/2013/05/the-eu-u-s-privacy-collision-a-turn-to-institutions-and-procedures/> (w)

European Commission (2014), 'Progress on EU data protection reform now irreversible following European Parliament vote,' 12 March. Available at:

http://europa.eu/rapid/press-release_MEMO-14-186_en.htm (w)

'The Right to Be Forgotten: Drawing the Line,' *Economist*, 4 October 2014. (w)

President's Review Group on Intelligence and Communications Technologies, 'Liberty and Security in a Changing World,' 12 December 2013, Preface (pp.10-13) and Executive Summary (pp. 14-23). Available at:

http://www.whitehouse.gov/sites/default/files/docs/2013-12-12_rg_final_report.pdf (w)

3/26 Group meetings with instructor

The groups will meet individually with the instructor to discuss the nature of the problem from their party's perspective, what the alternative ways forward are, and what their preferences are.

3/31 Presentation: How to address looming divergence

Each group will present its understanding of the situation and preferred ways forward. In the light of the presentations, we will discuss possible solutions to the looming problem.

Case study 5 Climate change

In December the countries of the world will gather in Paris to try to reach an agreement on how to reduce greenhouse gas emissions; conclude a successor to the Kyoto Protocol. The EU has long been a leading proponent of aggressive action, while the U.S. has been much less committed. In 2014 the U.S. became much more active in addressing greenhouse gas emissions at home and securing agreement abroad. Nonetheless, there are significant differences between the parties in terms of what action they have already taken, what action they plan to take, and what commitments they would be willing to accept. Unlike in the other case studies, the preferences of other countries, not least China (the world's largest emitter of greenhouse gases), will be critical to a successful outcome.

4/2 Environmental policy-making

As we touched on at the beginning of the course, environmental policy is one area in which European and American approaches to regulation can be very different. In our earlier consideration our focus was on how differences in the regulation of products (and services) can affect trade. Many environmental regulations, however, govern production processes. As such they do not prevent products from crossing borders, but they can raise the costs of production. This profoundly affects the international bargaining dynamics. This class will introduce the differences in how the EU and U.S. regulate the environment and the implications for bargaining between them.

ReadingU [TBC]

Vogel, D. (2003), 'The Hare and the Tortoise Revisited: The New Politics of Consumer and Environmental Regulation in Europe,' *British Journal of Political Science*, 33, 557-80. (l)

Davenport, C. (2014), 'Obama Builds Environmental Legacy With 1970 Law,' *New York Times*, 26 Nov. (f)

4/7 Introduction to climate change policy

This class will introduce the state of the debate and of the negotiations to address climate change. The two **groups will also meet** to agree how they are going to go about preparing the policy briefing.

Reading

Vogel, D. (2012), *The Politics of Precaution Regulating Health, Safety, and Environmental Risks in Europe and the United States*, Princeton University Press, pp.129-52. (t)

UNEP (2014), 'Emissions Gap Report 2014,' Executive Summary. Available from:

<http://www.unep.org/newscentre/Default.aspx?DocumentID=2812&ArticleID=11082&l=en>. (w)

BioRes Lima Update #3 | UN climate meet clinches decision, Paris deal up for negotiation, 14 Dec 2014. (t)

4/9 Group meetings with instructor

The groups will meet individually with the instructor to discuss the nature of the problem from their party's perspective and what their preferences are.

4/14 **Presentation: Paris - Objectives and redlines**

Each group will present its understanding of the situation and preferred ways forward. In the light of the presentations, we will discuss prospects for an agreement that effectively addresses climate change.

Negotiation Backgrounder

Case study 6: Dealing with transnational corporations

Two issues concerning the behavior of transnational corporations have recently become prominent on the transatlantic agenda: 1) the 'abuse of dominant position' by corporations with large market shares; 2) the use of complex corporate structures in order to reduce a firm's tax burden. Neither of these problems is unique to the transatlantic relationship, but due to the distinctive interpenetration of the two economies, they are particularly acute.

4/16 **Competition policy: Google and Microsoft**

There have been a number of high-profile competition cases involving major U.S. technology firms. There have been important differences in how regulators in Europe and America have approached the issue.

Reading

McGuire and Smith, Ch. 5

Wilks, S. (2015), 'Competition Policy: Defending the Economic Constitution,' in H. Wallace, M. A. Pollack and A. R. Young (eds), *Policy-Making in the European Union*, 7th edn, Oxford University Press, pp. 143-9. (t)

Fairless, T. (2014), 'EU Antitrust Chief Decries Political Pressure in Google Case,' *Wall Street Journal*, 15 Oct. (t)

4/21 **Tax avoidance: Apple, Starbucks and Google**

Corporations with operations in multiple countries can take advantage of a number of legal arrangements to reduce their overall tax burden. These practices have attracted increased political ire in the wake of the global financial crisis and efforts to curb government debts.

Reading

Public Accounts Committee, 'Tax Avoidance by Multinational Companies,' House of Commons, 20 May 2013. Available at:

<http://www.publications.parliament.uk/pa/cm201213/cmselect/cmpubacc/716/71605.htm> (w)

Schwartz, N. D. and Duhigg, C. (2013), 'Apple's Web of Tax Shelters Saved It Billions, Panel Finds,' *New York Times*, 20 May. Available at:

<http://www.nytimes.com/2013/05/21/business/apple-avoided-billions-in-taxes-congressional-panel-says.html?pagewanted=all>. (w)

Levin, C. and McCain, J. (2013), 'Offshore Profit Shifting and the U.S. Tax Code - Part 2 (Apple Inc.)', Memorandum to the Permanent Subcommittee on Investigations (PSI) of the U.S. Senate Homeland Security and Government Affairs Committee 21 May. (t)

Reflection

4/23 **Reflection and review**

This class will reflect on the material covered during the course to consider the prospects of the transatlantic relationship in the foreseeable future.

Reading

McGuire and Smith, Ch. 10

Reflection paper (individual)

