U.S. - EU Relations : Drifting Apart? Dissociative and Associative Approaches

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Abstract

This chapter exposes exaggerations and sometimes even the objectives errors which have appeared in the 'dissociative approach' : those researchers who have wrongly predicted a dislocation of the transatlantic link after the end of the Cold War. This study mainly analyses the reasoning which led to affirm that NATO was condemned to disappear, that the Uruguay Round agreement would never be concluded, and that the US were committed to torpedo both European Singlem Market and the Single Currency.

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CHAPTER 12

Drifting apart?
Dissociative and Associative Approaches

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There is no consensus in the scientific community about the main characteristics of the relationship between the European Union and the United States. Analyses about EU-US relations are strongly dichotomous and often antithetic. In order to analyse and conceptualise the debate, I have resorted to neologisms and will distinguish between a dissociative approach and an associative approach.

Analysts belonging to the dissociative approach diagnose a deterioration of the transatlantic link. For these researchers, relations between the EU and the US – always tense – have been aggravated by the end of Cold War. Of course, this approach does not overlook the fact that certain relations between the two rims of the Atlantic Ocean may be positive, but the few positive aspects are minimised. For dissociative analysts, today’s situation is characterised by the disappearance of the common communist enemy and by a growth of conflicts between the commercial blocs. In such circumstances, the relations between the US and the EU can only deteriorate further.

The associative approach, on the other hand, underlines the depth of the transatlantic link. Researchers adhering to this approach point out the numerous elements of convergence between Europe and America. Relations between the EU and the US are good and there is so far no indication that this should change. Naturally, the associative approach does not ignore that there have been some clashes between the two actors, but it considers them of relatively minor importance. For associative analysts, the post-Cold War era has not radically altered the relations between the EU and the US.

1 Parts of the material used in this article have been published in R. Schwok, ‘Les relations entre l’Union européenne et les États-Unis: analyse critique de l’approche “dissociative”, Relations internationales, 29:1 (1998) 107-26.
The main theme of this chapter is precisely to conceptualise this dichotomy between dissociative and associative approaches. I am, of course, aware that such a didactic approach contains risks: (1) reality is not as Manichean as is indicated here; (2) one analyst can be at the same time dissociative and associative. One has then to understand this conceptualisation as ideal-types in the Weberian way. My typology does not aim to reify thoughts or to attribute to authors ideas they have not expressed. It aims only at extracting the main articulations of a certain way of analysing EU-US relations.

In the first part of this article, I will deal with the political aspects. I will analyse a limited number of issues such as the end of the Cold War and hegemonic competition and show how dissociative and associative approaches treat these issues. I will then use a similar method with regard to the second part which includes the economic aspects. I will also seek to study the manner in which the dissociative and associative approaches may be compared to concepts such as a self-centred Europe, the Economic and Monetary Union, protectionism and multilateralism.

**Hypotheses on EU-US Political Issues**

*The End of the Cold War*

**Dissociative Approach**

For the dissociative approach, the end of Cold War represents a turning point in human history and a breakdown in European-American relations. Events such as the collapse of the Soviet Union, the crumbling of communism in Central and Eastern Europe, German unification and the end of the East-West rivalry in the Third World have deeply altered the transatlantic alliance.

Accordingly, Europeans and Americans have lost the main cement of their unity since an alliance as heterogeneous as the one unifying Western Europe and the United States can be based only on the functionalisation of a common enemy.2 There is no longer the necessity to fight to promote democracy, pluralism, the respect of minorities, human rights,

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market economy and all those values which marked the difference between the Western and the communist world during the Cold War era.³

Some dissociative analysts are even more radical. They argue that, with the end of Cold War, the main cultural areas will demand much greater independence from the American influence. These researchers claim, for instance, that neither the Europeans nor the Japanese have ever believed in the values of a Western civilisation led by the Americans: now they do have a choice, however, and that is ‘to go their own ways and assert their own culture-area’.⁴ Some authors also claim that there is a ‘notable general decline’ of pro-American attitudes.⁵

According to dissociative researchers, dangers for future EU-US relations come from both Europe and America. First, argue the researchers, fewer and fewer Europeans feel they have a debt to the US in strategic matters. The Old Continent fears external dangers less and thus minimises the risks of staying outside the American shield.⁶

As for the Americans, their motivation to stay in Europe is declining. Galvanised by growing isolationist feelings, they increasingly question their own motives to maintain a heavy and expensive military presence, as well as to continue to spend money in support of Europeans rich enough to pay for the burden of their own defence.⁷ It is, incidentally, interesting to observe that, on a regular basis, before every US election, some Europeans sound the alarm and mention the risks of a return to American isolationism. In the post-Cold War era, similar complaints were expressed again; the candidate Bill Clinton was labelled an isolationist at the beginning of his mandate.⁸

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⁴ M. Vlahos, ‘Culture and Foreign Policy’, Foreign Policy, 82 (1991) 68.


⁷ D. Calleo, Beyond American Hegemony: The Future of the Western Alliance (New York, Basic, 1987).

With regard to the important issue of NATO, dissociative researchers claim that this organisation long since lost its raison d'etre. This institution is doomed to disappear in the long term. In this perspective, each incident is interpreted as proof of an incurable illness which has permeated this organisation. Thus, it has been said that the Europeans wish for the disappearance of NATO, or, at least, its transformation into an organisation dominated by the Europeans. The 'negative' role of France has been underlined, in particular its attempts to use the European Union and Western European Union (WEU) in an effort to replace the American leadership. According to this interpretation, the Maastricht Treaty contains infectious germs which will lead to the crumbling of the Atlantic Alliance. Notions such as the Common and Foreign Security Policy (CFSP) are simply the product of an obvious attempt to be emancipated from the United States. In other words, this concept of a European identity in security matters would simply be the latest French attempt to get rid of the Americans.

The creation of a Franco-German brigade, and then of a European Corps have also been interpreted as another manifestation of those attempts to expel NATO, i.e. the US, from the Old Continent. The European Union, using a revitalised Western European Union, is looking to regain a hegemonic power based on the Franco-German axis. In the long run, if the European Union becomes a military alliance, either directly or by absorbing the WEU, this would lead to the dissolution of the Atlantic Alliance and, consequently, to the disappearance of the American strategic guarantee over Europe.

The December 1998 Saint-Malo declaration between France and the UK, together with the introduction of the Euro, has also been interpreted

12 Krasner, 'Power, Polarity and the Challenge of Disintegration' in Haifendorn and Tuschhoff (eds.), America and Europe, pp.36-7.
as a manifestation of European rejection of US hegemony. According to this theory, as the development of credible and autonomous EU military forces capable of acting without any American support was considered intolerable for Washington, the US deliberately provoked a casus belli with Belgrade by imposing impossible conditions during the Rambouillet talks in order to supplant the embryonic European leadership.\textsuperscript{15}

\textit{Associative Approach}

Researchers belonging to the associative framework claim, on the contrary, that the end of the Cold War has not changed anything fundamental in the relations between the US and the EU. Contrary to the Cassandras who have predicted the crumbling of the transatlantic link and mainly of NATO, these analysts observe that NATO is capable of finding a new \textit{raison d'être} following the disappearance of the Soviet Union and that it remains a very attractive organisation, given that practically all former Eastern European countries want to join.

They also claim that European feelings towards the United States, far from being weaker, were strengthened by the end of Cold War.\textsuperscript{16} They remark that fears concerning American isolationism are nothing new: they have regularly surfaced since the end of the Second World War. The West European psychosis could be explained by the memory of the American withdrawal in the interwar period which was a factor of instability having led to the rise of authoritarian and expansionist regimes, and finally to the Second World War. Traumatised by such an historical memory, numerous Europeans remain vigilant about any American isolationist trend.

The associative analysts observe that the Americans have also learned something from their mistakes of the 1920s and that they will maintain their presence on the Old Continent. Moreover, they underline the fact that President Bill Clinton, who has been accused of being indifferent to world affairs, has strongly reiterated his support for strong

\textsuperscript{15} B. Guetta, ‘Cette guerre peut en cacher une autre’, \textit{Le Temps}, 30 March 1999.

American involvement on the Old Continent\textsuperscript{17} and has never taken any concrete isolationist steps.

They point out that the United States remains not only firmly involved in Western European affairs, but that moreover it invented the concept of Partnership for Peace among the NATO countries and almost all European States which do not belong to it. More discreetly, but even more efficiently, the US has introduced programmes of military cooperation with most Central and Oriental countries and has even been successful in establishing military bases (in Hungary, Albania, Macedonia etc.).

Finally, far from abandoning the Old Continent, the United States has taken diplomatic initiatives, sometimes militarily guaranteed in the Irish, Greco-Turkish, Cypriot, Macedonian and Bosnian conflicts (Dayton agreements). The latest example is the close cooperation the US had with the EU in developing coherent and consistent economic sanctions on Yugoslavia during the 1999 Kosovo crisis. The EU adopted an oil embargo and a financial assets freeze legislation complementary to that of the US. Both also cooperated at a donor’s conference (Sarajevo, July 1999) to help rebuilding in the region.

On US-EU relations \textit{stricto sensu}, emphasis is put on three key elements. First, the United States does not oppose, and, on the whole, even supports any attempt by the European Union to establish its identity in security and defence matters. Washington thus welcomed the Maastricht Treaty which mentions the evolution of the EU towards a Common Foreign and Security Policy.\textsuperscript{18} Second, the United States has accepted the principle that NATO’s infrastructure in transportation and communication may be used by the Western European Union, (mandated or not by the European Union), without American involvement. This is the concept of Combined Joint Task Forces (CJTF). This procedure will allow any combination of European countries linked to the WEU to borrow NATO’s capabilities if the US does not want to or cannot take part in a European mission. In other words, this allows the European Union to use NATO infrastructure without American participation.\textsuperscript{19}


Third, in Cologne in June 1999, EU leaders went even further by agreeing that the Union should have its own military capacity to tackle regional crises in Europe, backed by sources of intelligence and capabilities for analysis and strategic planning. It means that Washington has accepted that EU countries which are members of NATO but also that neutral and non-allied members of the Union may participate in crisis management operations using NATO resources.\(^{20}\)

**Hegemonic Competition**

**Dissociative Approach**

According to this interpretation, the end of Cold War leads to new rivalries in the world between the main blocs, and, in so doing, between the EU and the US. As these two partners no longer face a common enemy, they revert to their true imperialistic impulse. Today’s epoch is that of a quest for a hegemonic position everywhere in the world. The EU and the US are mainly in competition in Eastern Europe. Washington is looking to extend its economic, political and cultural influence over this former Soviet sphere of influence, while Western Europe, where Germany ‘might soon be the most important military factor’,\(^ {21}\) is attempting to follow the same policy.

As a consequence, some American lobbies are pressing Washington to exchange the American military presence on the Old Continent for more European docility in other areas of the world. Dissociative proponents frequently quote a report by the Defense Planning Guidance (DGP) of the Pentagon suggesting that the American Ministry of Defence wants to avoid the emergence of any rival superpower in Western Europe, in Asia or on the territory of the former Soviet Union. According to this document, Washington should ‘convince potential competitors that they need not aspire to a greater role or pursue a more aggressive posture to protect their legitimate interests’ and that the US ‘must sufficiently account for the interests of the advanced industrial nations to


\(^{21}\) S. Hoffmann, ‘America and Europe in an Era of Revolutionary Change’ in Haftendorn, Tuschhoff (eds.), *America and Europe*, p.63.
discourage them from challenging our leadership or seeking to overturn the established political and economic order'.

Divergence between the EU and the US in ex-Yugoslavia is presented as a particularly clear illustration of the growing rivalries between those two superpowers. Dissociative researchers insist that the United States did not support the first European plan to cantonalise Bosnia and that Washington's support to the Bosnian Croats and the Bosnian Moslems was much stronger than that of Paris and London. Some Americans have also strongly criticised the German position on Croatia and Slovenia's recognition of independence. Its unilateral action has been seen by some Americans as a clear expression of a rejuvenated German imperialistic comeback on the international stage. Finally, in the last phase of the conflict, one heard (mostly European) voices expressing criticism about the so-called American Dictate, i.e. that the US has imposed throughout the Dayton agreements its own solution to the conflict. All the above examples are interpreted by dissociative researchers as yet further proof of the growing divergence between the EU and the US.

The same types of arguments also circulated during the 1999 Kosovo crisis. A couple of experts even accused the US of having deliberately started the war against Yugoslavia in order to reassert American hegemony, initiate a new 'Cold War' with China and convert the Europeans into obedient servers.

**Associative Approach**

Associative scholars maintain that there is much more convergence than rivalry in the world between the EU and the US. They observe that the 1990s consecrate the establishment of a kind of burden-sharing pact for the management of world affairs. They mention particularly the 1995 New Transatlantic Agenda and its Joint Action Plan presented as the

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most significant and substantial step in the relationship between the US and the EU, since its establishment in 1958.

For Washington, this document means that the US now considers the EU not only as an economic and commercial partner but also as a political force capable of acting with the United States as an almost equal partner. This declaration of objectives and of about 120 themes of specific action represents a greater degree of consensus than the US would have been capable of achieving with any other region, with any other group of countries, or – with the possible exception of Canada – with any country taken individually.²⁶

Now, specifically regarding the ex-Yugoslavia issue, associative analysts consider that the EU and the US have acted, generally speaking, in a complementary way.²⁷ There have been of course some misunderstandings, but regarding the main issues, Europeans and Americans have shared the same political and military objectives vis-à-vis former Yugoslavia. For instance, the fact that Washington wanted the EU to be the main intercessor was a sign of confidence, not of mistrust. There were subsequently other misunderstandings on numerous points but those relatively minor clashes did not concern fundamental issues. Moreover, the ‘associativists’ observe that these transatlantic clashes were often less severe than those between the Administration and the Congress in Washington, or than those between France and Germany in Europe, without mentioning the open conflicts between the fourteen members of the EU and Greece on the issue of Macedonia.

The Yugoslav crisis (in Bosnia and Kosovo) finally led to the strengthening of the transatlantic link because the Europeans, and especially the French, had to admit that they cannot solve any major crisis of this type alone. Paris needed to ask the Americans to intervene under the NATO umbrella in order to give some credibility to the European diplomatic pressure.²⁸ As a consequence, the American leadership over the both Western alliance and NATO was strengthened.

Theoretical Underpinnings

Dissociative Approach

The dissociative interpretation is deeply influenced by the so-called realist theory, a very important approach in the study of international relations. According to this theory, international relations are characterised by continuing rivalry among those States who are the main actors in the international system. There is no monopoly of the legitimated violence in the international society, where these States are perpetually in conflict. It is therefore an illusion to argue that they could durably become allies. "States are the units whose interactions form the structure of international political systems" and "they will long remain so". 29 Kenneth Waltz, the main theoretician of neo-realism, dismisses the role of international organisations. Either international organisations behave as new states or they remain so weak that the power of the individual states within them shines through. 30

Due to this conceptual and ideological underlying way of thinking, realists strongly doubt that the European countries can be united. They believe that the EU is closer to a classical international organisation than to a federal State such as Germany, the United States or Switzerland. They find it difficult to admit that the EU has a kind of international personality. A fortiori, realists generally study the transatlantic relations as relations between each individual Member State of the EU, and the US.

As the realist paradigm cannot accept that relations between European States may be peaceful, it has even more difficulty accepting the fact that the relations between the EU and the US could be non-conflictual.

Associative Approach

Associative researchers belong to the so-called pluralist trend in the study of international relations. In other words, they accept the idea of a plurality of explanations. They are sceptical about explanatory, systematic and predictive theories. Their framework is called complex inter-

30 K. Waltz in Keohane (ed.), Neorealism, p.81.
dependence. Generally speaking, this approach claims that international relations – EU-US relations included – have three main features: (1) the societies are linked by numerous channels of different types; (2) the agenda of international relations is made of numerous issues which cannot be fixed in an intangible and clear hierarchy; (3) military power is not used by governments against other governments when interdependence is well developed.

According to associative analysts, complex interdependence applies well to the relations between the EU and the US. Numerous channels are used to connect the American and the European actors. The agenda of the relations between the EU and the US is composed of numerous issues which are not fixed in a consistent and hierarchical manner. The use of force by either the EU or the US seems to be inconceivable.

It is important to underline that associative analysts (influenced by the complex interdependence framework) do not refrain from sometimes using a realist or a mercantilist approach when necessary. They also admit that the State is the main actor in international relations, that it usually acts in a rational way (or at least aims at doing it this way), and that the EU, as well as the US, may use protectionist devices according to circumstances.

The complex interdependence analysts, however, do want to maintain a pluralist approach. They also observe that the states are not the only actors in the international system, that they do not always act in a rational way (in the game theory's acceptation, with perfect information and with fixed preferences and objectives), and they doubt that the quest for power constitutes the sole aim of any foreign policy.

33 Peterson, 'Europe and America', pp. 217-18
Hypotheses on EU-US Economic Issues

An ‘Isolationist, Introvert and Self-Centred’ Europe

Dissociative Approach

According to the dissociative approach, Europe is no longer interested in the rest of the world. Looking inward to its own problems, the Union is losing interest in international relations, as well as in its former colonies. Entangled in its problems of unification – completing its Single Market, creating its Economic and Monetary Union and enlarging to Eastern Europe – the EU’s sole aim is to strengthen integration around a Western European core. Far from having an international dimension which fits its economic power, the Union is increasingly concentrating on its own problems, forgetting its economic, political and cultural importance.

Thus, according to dissociative analysts, the 1992 Single Market was equated by most Americans with an unacceptable ‘Fortress Europe’. Many Americans complain that the European committees of standardisation shape norms differently to the American ones. This could discriminate against some American firms and exclude them from the European market. As regards tests and certifications, some similar fears have been expressed in the US; this concerns the extension of the principle of mutual recognition for American products as well as the conformity of some American laboratories for proceeding to certifications that are valid in the EU. Regarding public procurements, the Union’s directive on the so-called excluded sectors also creates some uneasiness. It contains a ‘Buy European’ clause which authorises the Union to reject bids containing less than fifty percent EU content.

Dissociative analysts also add that the European economic situation is getting worse. Levels of unemployment have reached their peaks and are not going down. Public deficits are still huge. Debts have accumulated. Public opinion refuses to make any economic sacrifice, for instance in order to comply with the so-called Maastricht criteria. Every indi-

icator shows that Europe is not recovering from the economic crisis and that protectionist pressure will continue to grow, which, in turn, according to this analytical framework, will feed anti-American attitudes.

**Associative Approach**

According to the associative researchers, there is no credible sign that the EU is characterised by protectionist tendencies. On the contrary, the Single Market has proven to be much more free trade oriented than was originally predicted by most experts. The Common Agricultural Policy (symbol of EU protectionism and dirigism) is on the way to fundamental reform. Moreover the establishment of an Economic and Monetary Union is another indication of a general trend towards more economic liberalism and less State controls.

With regard to, more specifically, the 1992 Single Market, it is wrong to claim that it has been seen by most Americans as the equivalent of a ‘Fortress Europe’. On the contrary, American business circles, as well as the Bush and Clinton administrations, have supported this objective. This endorsement was motivated by the following reasons: (1) EC-1992 enhances free trade; (2) it offers opportunities for commercial development; (3) it creates economic growth; (4) the whole world will profit from more economic and monetary stabilisation; (5) Eastern Europe will be developed and strengthened by a stronger Western Europe; (6) the US will benefit from a more reliable partner to keep the world order.\(^{36}\)

More concretely, there has been, in the meantime, no statement by any political or economic American leader arguing that the EU is a fortress. Most problems have been solved or are on the right path. This is the case of the American companies which are now informed well in advance, and sometimes even consulted, on the new norms shaped by the European bodies of standardisation. There have been successful negotiations between the EU and the US in order to reach the largest level of mutual recognition between the European and American standards. The same is true about tests and certifications.\(^{37}\) Finally, on public procurements, most of the problems have been solved by the agreements made – in the margins of the Uruguay Round negotiations –


between the EU, the US, and most industrialised countries, Japan included.\textsuperscript{38}

Associative approach observers reject the claim that the completion of the Single Market, association agreements with EFTA, Central and Eastern European and Mediterranean countries, as well as the enlargement of the EU to include thirteen new members constitute any proof of an inward looking orientation. These aspects show, on the contrary, that the Union is open to foreign countries despite its budgetary constraints and the risk of political dilution. Moreover, associative researchers underline the fact that all European projects of integration follow a free trade philosophy and are relatively non-discriminatory towards third countries. In order to support their argument, they show that the United States has always supported all efforts towards deepening and enlarging the Union, albeit on the condition that some compensation be provided.

\textit{The Economic and Monetary Union (EMU)}

\textit{Dissociative Approach}

The completion of the EMU by the year 2002 with the fixing of irrevocable exchange rates in 1999 between many key EU countries generated a great deal of analyses related to Euro-American relations. For dissociative analysts, the US supports neither the economic, nor the financial, nor the political objectives of the Single Currency.

Dissociative analysts such as the MIT Professor Rudi Dornbush are convinced that the US is fearful of the EMU as the Single Currency will contribute to recession and political trouble which have always been expensive for the Europeans as well as for the Americans.\textsuperscript{39} Martin Feldstein even argues that ‘EMU […] will change the political character of Europe in ways that could lead to […] confrontations with the United States’.\textsuperscript{40}

They also underline that one of the main arguments in support of the Single Currency – often openly expressed by the French – is that the dollar will be replaced as the main international currency and that the economic, commercial and political power of the US will be challenged


by a much more assertive Europe.\textsuperscript{41} Moreover, the European Single Currency could reduce the autonomy of the American monetary policy by limiting its political options. Clearly, confronted with such a discourse, dissociative researchers have no difficulty in claiming that the Americans have every reason to fear a European Single Currency and thus will do everything to torpedo it.

\textit{Associative Approach}

Associative analysts maintain that the United States welcomes the perspective of the EMU. They quote numerous statements made by American officials and business leaders. They of course do not ignore the fact that some American speculators are keeping their eyes open for a European monetary mistake, but this is only true in some circles, and is not the case for the entire American administration.

The support of the Single Currency by America and most business leaders can be explained by the six following motives:

- First, the Euro will contribute to the creation of wealth (static and dynamic effects), which will benefit everyone, \textit{i.e.} Americans included.\textsuperscript{42}
- Second, American firms (Ford, GM) are very well established in Europe, even better than European ones. They will be the first to benefit from the abolition of monetary protectionism which penalises them more than it does the national European companies.\textsuperscript{43}
- Third, if the creation of the Euro leads to more growth thanks to sounder public finance (Maastricht criteria on budgetary deficit and public debt), this process can only strengthen political and social stability in Europe.
- Fourth, the establishment of the European Central Bank will be at the expense of the German Bundesbank; Washington generally supports any measure which could counterbalance the hegemony of one single state.


• Fifth, the Euro will help to insulate the European economy from fluctuations in the US dollar and thus reduce the costs of transatlantic monetary conflict for Europe.\textsuperscript{44}

• Sixth, the passage to the Single Currency will have political consequences by deepening the EU. For a United States which does not want a weak Europe, the political functionality of the EMU plays an important role.\textsuperscript{45}

\textit{Protectionism and Multilateralism}

\textit{Dissociative Approach}

The dissociative approach assumes that the world is leaning towards the constitution of protectionist commercial blocs. The EU is deepening its integration through the Single Market and the Single Currency, while consolidating its links with EFTA countries through the European Economic Area (EEA) and with Eastern and Mediterranean countries through all kinds of association agreements. In the meantime, the United States has established NAFTA and is active in APEC and other free trade areas in Central and South America. According to this approach, these developments are bound to lead to a series of trade clashes. Pushing the argument a bit further, one theory even argues that, by the end of the Cold War, conflicts will be increasingly economic.

Throughout the Uruguay negotiations (1986-93), analysts belonging to the dissociative school predicted their failure. Almost all points on the EU-US negotiation agenda were labelled as wars (cf. wars on civil aviation, bovine hormones, soybean, tropical wood, textile, anti-dumping measures, public procurements, financial services, maritime rights, cultural area etc).\textsuperscript{46} The prediction of the Uruguay Round’s failure was derived from an analysis of the American evolution. The most famous Cassandra – who exerted quite an important influence on public opinion – is Professor Lester Thurow, then Dean of the Sloan School of

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\textsuperscript{44} C. R. Henning, ‘Europe’s Monetary Union and the United States’, \textit{Foreign Policy}, 7:102 (1996) p.94.
\textsuperscript{45} Peterson, ‘Europe and America’, p.122.
\textsuperscript{46} The EC Common Agricultural Policy was their prime target, presented as the archetype for the entire European commercial policy – see A. Stöckel, D. Pearce, G. Banks (eds.), \textit{Western Trade Blocs} (Canberra, Centre for International Economics, 1990), p.39. It has to be said that the CAP was indeed designed as a protectionist and state run system.
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Management at the Massachusetts Institute of Technology (MIT). Author of expressions such as: ‘The GATT-Bretton Woods trading system is dead’,\textsuperscript{47} Thurow was convinced that the European Community would just about finish it off.\textsuperscript{48}

Another influential professor, Robert Gilpin from Princeton University, also prophesied the collapse of the multilateral trade system, attributing its likely failure to the conjunction of four interdependent factors:

- Sectoral protectionism such as the multifibre agreement will develop and replace GATT multilateralism by ‘minilateralism’. ‘In this new environment, bilateralism or minilateralism has largely displaced the multilateralism of the GATT’.\textsuperscript{49}

- Multilateralism will be replaced by economic regionalism (NAFTA, EC internal market, see supra).

- Mercantilist competition (economic nationalism) will develop, especially after the end of Cold War. The EU is becoming more and more a fortress, abusing anti-dumping measures, while the US uses excessively protectionist instruments such as the sections 301-310 of the 1988 Omnibus Trade and Competitiveness Act. ‘Super 301’, as it is called, became a device of export-protectionism and the behaviour of the US bordered on predation.

- The trend induced by the three previous factors is strengthened by the assumption that the US is losing its capacity to guarantee economic liberalism (see infra, ‘theory of Hegemonic Stability’).

As Robert Gilpin concisely puts it: ‘A mixed system of nationalism, regionalism, and sectoral protectionism is replacing the Bretton Woods system of multilateral liberalization’.\textsuperscript{50} Most media have reflected, or sometimes anticipated, such predictions. The list of such affirmations is endless. Even a reliable, influential and pro-GATT magazine, \textit{The


\textsuperscript{48} Thurow, \textit{Head to Head}, p.76, ‘GATT bled to death from the wounds described in the previous chapter, but European integration will provide the official death certificate’.


\textsuperscript{50} Gilpin, \textit{The Political Economy}, p.394.
Economist, has predicted that the GATT itself would collapse because of the American hegemonic decline.\textsuperscript{51}

\textit{Associative Approach}

Associative analysts do not accept the expression ‘trade bloc’. They claim that neither the European Union, nor the EEA, nor the Europe Agreements, nor NAFTA, nor APEC constitute proper ‘trade blocs’. As a matter of fact, these agreements are not protectionist and directed consciously in a discriminatory way against third countries. All those agreements are based on the principle of free trade and comply with GATT and WTO criteria on the constitution of free trade agreements (especially article XXIV).

The non discriminatory nature of these forms of integration is implicitly acknowledged by the fact that the US has not criticised, and has by and large welcomed, all steps towards further integration and enlargement of the EU. The same is true for the EU which has never expressed any reservation about the US free trade agreement with Canada, or about NAFTA or APEC.

As far as the Uruguay Round is concerned, associative analysts insist that what matters is the result and, in the present case, this was positive: it led to the most important multilateral trade agreement in the entire history of commerce and to the creation of the WTO. Analysts finally recall that its success can be attributed mainly to the EU and the US.\textsuperscript{52}

For associative analysts, the success of the Uruguay Round, and especially the desire of both the EU and the US to find workable agreements, can be explained by the fact that these two actors share a common economic interest in freer trade and that they do not want to strain their political and military relations with trade and agricultural conflicts.


This means that for analysts belonging to the associative approach, the Cassandras who predicted ‘the end of GATT’ were simply wrong. The Uruguay Round success is, on the contrary, symbolic of the EU-US dominance on international trade rules. Those two blocs have indeed simply imposed their bilateral compromise on the hundred other GATT Member States; this is the best proof of Euro-American cooperative leadership in the world.

**Theoretical Underpinnings**

**Dissociative Approach**

Neomercantilism is the theory which had the greatest influence on the dissociative approach.\(^5^{3}\) It is a variance of the realist theory applied to economic aspects of international relations insofar as it assumes the primacy of the State in international relations and has sceptical views on the positive contribution of free trade. In other words, neomercantilists doubt that the so-called virtues of free trade are well understood by the States, that they accept to give up their national protection and expose themselves to foreign competition for its potential benefits.

Along these premises, neomercantilist researchers focus on the growth of protectionist barriers. They want to demonstrate that the end of the Cold War opens opportunities for numerous hidden economic protectionist conflicts. They particularly see, as already mentioned, the constitution of economic blocs as the most manifest illustration of the transformation of national protectionism into bloc protectionism.

The theory of hegemonic stability has grown within this neomercantilist theoretical framework. This theory’s key element is the view that stability in international relations stems from the presence of hegemony or dominance.\(^5^{4}\) The absence of hegemons implies a lack of order in the relations among States whether in commercial activities (trade, money), social issues, or security concerns. Its main axiom is to establish a correlation between hegemonic power and stability of international regimes (such as GATT). As long as the hegemon (the United Kingdom in the 19th century or the United States after the Second World War) can bear the costs of its supremacy, international regimes remain credible. When

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a hegemon declines or abdicates (i.e. through isolationism), instances of defection rise sharply among its followers (Japan, Europe etc). Applied to international trade, the logical conclusion of the theory of hegemonic stability is that we are aiming for a reorganisation of the system towards insular and conflictual trade blocs.

The main assumption underlying this scenario, i.e. the decline of the United States, is one of the most popular themes in American academic literature of the late 1980s. It was mainly popularised by Professor Paul Kennedy of Yale University.\(^5\)\(^5\) This historian became famous by claiming that the US would collapse, following the path of the Roman Empire, if it did not reduce its public budget, especially military expenses.\(^5\)\(^6\)

It is precisely in the name of these theories that numerous authors have predicted that the US no longer has either the will or the strength to impose its rules within the international organisations and that the liberal economic system (WTO, IMF, World Bank included) will crumble because of a lack of leadership.\(^5\)\(^7\)

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\(^{56}\) Among the indicators of decline, the main ones were: the weakness of the dollar, the accumulation of debts and public deficits, the loss of competitiveness of the American enterprises with regard to their Japanese and other Asian competitors, especially in key sectors such as automobile or computer industries. 'Declinists' also insist on the high level of illiteracy in the US and the American workforce's relative lack of training.

\(^{57}\) One can apply the conceptualisation I propose to more recent issues. Look, for instance, at the way some dissociative researchers have anticipated serious confrontations, if not war, between the US and the EU when Washington, under pressure from the Congress enacted the US Helms-Burton anti-Cuba law and the Iran-Libya Sanctions Act which ban any foreign company to invest in those hostile countries. The EU rejected what it considered 'extra-territorial' US legislation. Tension reached its climax when Total, the French energy group, signed a $2bn contract to develop an Iranian gas field. See H. Lesguillons, 'Les lois Helms-Burton et D'Amato: réactions de l'Union européenne', *Revue de droit des affaires internationales*, 1 (1997) 95-111; G. Kinka, 'The Transatlantic Rift over Cuba. The Damage is Done', *International Spectator*, 32:2 (1997) 27-52. Similar worries were expressed — only in the press as there was not sufficient time for academics to publish their articles — when the European Commission threatened to ban the merger between Boeing and McDonnell Douglas, two US aircraft manufacturers. E. Tucker, 'Boeing/McDonnell Douglas: EU Commissioners Set to Ban Merger', *Financial Times*, 21 July 1997.
Associative Approach

Critics of the theory of hegemonic stability claim that the theory is wrong on the conditions which motivate a State to exercise its leadership and that it ignores the true motivations of the followers (Japan, Europe) towards the leader (USA).

In other words, the theory of hegemonic stability was misled by a simplistic application of game theory and in particular by the metaphor of prisoner's dilemma which too often leads to analysing international trade relations as a zero-sum game. According to this theory, the EU and Japan would have automatically chosen to defect as soon as the US could not or did not want to uphold the international regimes it created.

This discounts the fact that both Japan and the EU (the so-called ‘demand-side of trade regimes’) also have an interest in keeping, developing and guaranteeing free trade through international regimes: that they are trying to diminish the costs of transaction and of the diffusion of information, and they are pressurised by their own myopic interest to cooperate and dismantle their protectionist barriers.

One should also finally point out the fundamental role played by the transnational interests in the success of the Uruguay Round. There were as many European and Japanese multinational companies as American firms which had an interest in keeping the GATT system alive. Those multinational companies put tremendous pressure on the European governments (with the support of European-based American companies) in order to force them to play the game of multilateralism.

The theory of American decline has also been sharply criticised by numerous authors. They have shown that the United States is far from being ruined, that military expenses do not represent such a large percentage of US GNP and have anyway been cut thanks to the end of Cold

58 Keohane, After Hegemony, pp.49-64.
59 Keohane, After Hegemony, pp.65-84.
War, and that they are moreover necessary to preserve American leadership and international stability.

They also argue that a weak dollar is a conjunctural element, and not necessarily the sign of an American decline; that American public deficits and debts are not higher, in percentage, than in Europe; and that American companies have been successful in their very serious phase of restructuring, being now capable of reconquering some sectors commanded by the Japanese and the ‘Asian tigers’ (cars, computers, microchips etc.).

On Euro-American relations, it is striking to observe that ‘associative’ and ‘anti-decline’ analyses\textsuperscript{62} are, to a large extent, converging. Anti-declinists are indeed convinced that the United States can continue to dominate the international system (they give the example of the use of the UN framework in both the Gulf and the Yugoslav crises). They claim that NATO can be kept alive, although they would prefer some reforms in order to strengthen the European pillar. Finally, they are convinced that the US, jointly with the EU, can consolidate the WTO and conclude more bilateral trade agreements on non-tariff barriers.\textsuperscript{63}

\textbf{Conclusion}

The preceding analysis has deliberately tried to present in a dichotomic way the different interpretations of the relationship between the EU and the US. By pointing out the divergences between the two approaches, I have tried to conceptualise the debate better and to contribute to a clearer understanding of its essence.

I have also tried to expose exaggerations, and sometimes even the objective errors, which have mainly appeared in the dissociative approach. This article indeed questions the theoretical assumptions as well as the empirical observations of those researchers who have predicted a


\textsuperscript{63} Contrary to some gloomy forecasts, in May 1998, the US and the EU came up with a formula to resolve their serious differences on the Helms-Burton act and on the Iran-Libya Sanctions Act with the United States agreeing to waive the Act’s provision for the French company Total for its planned investment in Iran. See US Representative to the European Union, \textit{Letter from Brussels}, Vol.11/2, 20 July 1998, p.1. The issue on the merger between Boeing and McDonnell Douglas was also solved without major difficulties.

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dislocation of the transatlantic link after the end of the Cold War. This study mainly analyses the reasoning which led to affirm that NATO was condemned to disappear, that the Uruguay Round agreements would never be concluded, that the EU would be transformed into a protectionist fortress and that the US were committed to torpedo both the European Single Market and the Single Currency.

After this clear reminder of the approximation which characterises social sciences, it is of course risky to embark on predicting. My conviction is that the associative approach is the most valid of the two, with all the limitations which go with ideal-type. This means that the analysis I have developed here, added to what I formulated on the relationship between the European Community and the United States between 1950 and 1990, corroborates my opinion that the EU-US relationship will evolve towards greater partnership rather than conflict.

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