

## **FORGING A NEW STRATEGIC PARTERSHIP BETWEEN THE EU AND THE USA**

**Concept note** 2010.05.15

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The EU and the USA need to forge a new strategic partnership. There are four main reasons for that:

- There are global challenges, beyond the security ones, to be addressed together , like climate change, financial instability and overall the need for a more balanced and sustainable development in the planet;
- The international order is being reshaped by new actors, particularly the emergent economies, with implications for global governance and the multilateral institutions. What is at stake is to move from a unipolar world towards a multipolar world and to an effective multilateral order , where much more strategic convergence will be needed;
- Both the USA and the EU are renewing their domestic internal and external agendas. The USA due to a relevant change of leadership and political direction; the EU due to a relevant change of its institutional setting ( Lisbon Treaty) and to the current update of its internal and external strategies. More particularly, the successor to the Lisbon strategy, the EU2020 strategy will be adopted in June 2010 and the current crisis of the euro-zone will lead to a major reform of its economic governance;
- The “common transatlantic acquis” (common values, rules, assets) becomes a crucial factor to deal with the world diversity and to reshape the global order. The EU and the USA are the two most natural counterparts in the world and a lot will depend on their joint work.

A new strategic partnership is needed to develop this joint enterprise. The relevant priorities should be clearly identified and the cooperation tools reshuffled, notably to ensure a permanent, comprehensive and fruitful strategic dialogue leading to more effective common action.

Against this background, we propose the following themes to be explored in order to prepare the Forum:

### **1. Renewing the economic growth model**

The current economic growth model in USA and the EU (and in spite of their differences) is no longer sustainable for environmental, demographic and financial reasons. A joint work should take place in order to renew the growth model focusing on the following priorities:

- 1.1. Changing the patterns of consumption, production and mobility
- 1.2. Making innovation the main engine for growth and jobs creation
- 1.3. Building a comprehensive and sustainable welfare system
- 1.4. Reforming the financial system to support this new growth model
- 1.5. Improving multilevel economic governance (the role of the federal, State and local levels; the reform of economic governance in the EU)

### **2. Building a common transatlantic economic area**

Over three centuries, the USA and the EU have built a common area of exchange of products, services, capital, labour, people and ideas. These exchanges can now be deepen, building on much more powerful infrastructures for mobility, finance and information. The following priorities can be chosen:

- 2.1. Removing barriers and promoting investment for a new growth model
- 2.2. Regulatory cooperation for a new growth model
- 2.3. Up-dating the rules regarding the financial system and intellectual property rights
- 2.4. R&D cooperation for a new growth model
- 2.5. Promoting exchanges in creative industries

### **3. Reforming global economic governance**

The financial and economic crisis, the climate trends and the rebalancing of world economy are leading to major changes in global economic governance: the emergence of the G-20 summits and the need of urgent reforms in Bretton Woods institutions, with possible implications for the broader multilateral system. The joint action by USA and the EU are decisive and the following priorities can be identified:

- 3.1. Up-dating the regulation of the financial system
- 3.2. Improving the coordination of the economic policies for recovery and sustainable development
- 3.3. Building a partnership for energy sustainability
- 3.4. Developing the development policies
- 3.5. Reforming the Bretton Woods institutions

### **4. Improving the tools for strategic dialogue and cooperation between the USA and the EU.**