



ATLANTIC FUTURE POLICY PAPER

01

A Pan-Atlantic Agenda for EU-US Relations

Daniel S. Hamilton

Austrian Marshall Plan Foundation Professor and Executive Director

Center for Transatlantic Relations

Johns Hopkins University School of Advanced International Studies

ABSTRACT

Growing connections across the wider Atlantic should prompt the EU and the US to incorporate issues of pan-Atlantic import into their traditional bilateral agenda. First, the partners must strengthen their own core relationship across the Atlantic North, particularly through trade and energy initiatives. Second, the partners should redefine the "Atlantic Community" to engage countries and societies across the full Atlantic space to promote economic growth, human development and energy links; enhance human security and resilience, and address issues pertaining to the Atlantic Ocean itself. Third, the EU and the US must also engage "Asian Hemisphere" countries on "Atlantic Hemisphere" issues as Asia pivots to the Atlantic.

*The first draft of this Policy Paper was presented on
June 30, 2015.*

ATLANTIC FUTURE – Towards an Atlantic area? Mapping trends, perspectives and interregional dynamics between Europe, Africa and the Americas, is a project financed by the European Union under the 7th Framework Programme. European Commission Project Number: 320091.



ATLANTIC FUTURE POLICY PAPER

01

CONTENTS

1. Introduction	3
2. Advance economic growth and human development.....	4
2.1. Generate growth, set standards.....	4
2.2. Build a new aid architecture.....	6
3. Harness the Atlantic energy Renaissance.....	7
3.1. Bridge the North Atlantic energy divide	7
3.2. Advance Pan-Atlantic energy initiatives	8
4. Focus on the Atlantic Ocean	10
5. Enhance human security	11
6. Promote resilience and Atlantic flow security.....	12
7. Address Asia's pivot to the Atlantic	13
8. Conclusion.....	15
9. References.....	16

1. Introduction

In terms of values and interests, economic interactions and human bonds, the European Union (EU) and the United States (US) are closer to one another than either is to any other major international actor. North Atlantic networks of interdependence reach deeply into each other's societies.

The EU-US partnership still provides an important base from which the EU and the US can engage like-minded states in efforts to build peace, security, and prosperity. But in a world of more diffuse power, greater interdependence and intensified global competition, the North Atlantic partnership, while still indispensable, is now insufficient. Only by banding together with others are both partners likely to advance their values, protect their interests, and extend their influence (Hamilton, 2010).

Of course, the full EU-US agenda is substantial and ranges far beyond the scope of this article. And while EU and US interests are often congruent, they do not always align. Yet in the context of the evolving dynamics of the broader Atlantic space, and drawing on the new knowledge generated by the ATLANTIC FUTURE project, the EU and the US should consider a three-fold pan-Atlantic agenda to advance shared or common interests.

First, the partners must strengthen their own core relationship across the Atlantic North. Even in an era of rising powers and economic troubles, the United States and Europe continue to bring the greatest political, economic and security capacity to the greatest number of issues vital to the future of the Atlantic region. Yet without a strong North Atlantic base, efforts to engage the Atlantic South are likely to be less effective.

Second, the partners must redefine the "Atlantic Community" with a substantive agenda that includes countries and societies across the full Atlantic space. Globalisation is generating significant connections among the four continents of the Atlantic Basin. Yet there is no framework for Atlantic countries to address the issues they face together, even though there are many such efforts in the Asia-Pacific region – a far more diverse and tempestuous region. The EU and the US are more likely to reposition themselves effectively for the 21st century if they work together to engage emerging powers as responsible stakeholders in institutions and networks needed to address common challenges. In addition, the Atlantic holds greater potential than the Pacific to emerge as a global test bed for interregional, networked governance between developed and emerging countries. The Asian Hemisphere is the hemisphere of contested norms and principles among and between open and closed societies. The Atlantic Hemisphere, in contrast, is – admittedly with fits and starts – coalescing around basic aspirations regarding domestic governance. Across the Atlantic space there is growing commitment to promote liberty, improve the efficiency of markets, and to respect human dignity. All countries in North America, the European Union and Latin America – with the exception of Cuba – are now rated partly free or better by Freedom House. Africa, too, has experienced greater democracy.

Of course, across the full Atlantic space achievement does not always match aspiration. Setbacks abound and challenges remain. Democratic disenchantment, repudiation of politics and politicians, populist fashions, and extreme societal violence affect countries across the Atlantic space. A growing commitment to democratic norms and practices, however, offers a foundation upon which established and emerging powers alike can bolster weak democracies susceptible to organised crime cartels or

terror networks; halt democratic backsliding; cultivate cultures of lawfulness; attract investment; and tackle violence, corruption or “strongman” regimes that use the veneer of democracy to reinforce their grip on power. The Atlantic Hemisphere also offers diverse models of democratic practice that can be relevant to broader global debates about effective and responsive governance.

Third, together the partners must also engage “Asian Hemisphere” countries on “Atlantic Hemisphere” issues.¹ Asian countries are increasingly active in both the North and South Atlantic. As I outline below their activities are illuminating issues that the EU and the US have neglected; areas from which they have withdrawn; and future challenges deserving their attention.

Operationally, these three dimensions of activity should prompt EU-US efforts to work with other Atlantic partners to advance economic growth and human development; promote new forms of energy cooperation; address issues of the Atlantic Ocean itself; enhance human security and resilience; and engage Asian actors on Atlantic issues.

2. Advance economic growth and human development

2.1. Generate growth, set standards

Despite the rise of other powers and recent economic turbulence, the EU and the US remain the fulcrum of the world economy, each other’s most important and profitable market and largest source of onshore jobs. The EU-US economic relationship generates \$5.5 trillion in total commercial sales a year and employs up to 15 million workers. It is the largest and wealthiest market in the world, accounting for three-quarters of global financial markets and over half of world trade. No other commercial artery is as integrated (Hamilton and Quinlan 2015). Should the Transatlantic Trade and Investment Partnership (TTIP) between the EU and the US go forward over the next number of years, these linkages will be even further enhanced.

Traditionally, the EU and the US have been as much economic competitors as partners. Given the rise of other powers and greater global competition, however, the EU and the US want to use TTIP not only to open markets and align standards across the Atlantic, but to use the power of such a large Euro-Atlantic market to set the pace for global markets. For these reasons, the top EU-US priority in coming years will not only be the successful conclusion, ratification and implementation of TTIP, but to use a modernised EU-US framework to integrate other countries of the full Atlantic space into world trade.

- **Use TTIP to ensure the EU and the US remain standard-makers, not standard-takers.** TTIP is not just about achieving greater regulatory coherence across the Atlantic, it is about setting global benchmarks. TTIP is important in terms of how the transatlantic partners together might best relate to rising powers, especially the emerging growth markets. Whether those powers choose to challenge the current international order and its rules or promote themselves within it depends significantly on how the EU and the US engage, not only with them *but also with*

¹ Kishore Mahbubani’s assertion (Mahbubani 2008) that there is an “Asian Hemisphere” means by definition that there is also an Atlantic Hemisphere.

each other. The stronger the bonds among core democratic market economies, the better their chances of being able to include rising partners as responsible stakeholders in the international system. This means coordinating efforts to ensure high standards globally that can both lift the lives of Americans and Europeans and create economic opportunity for billions of others around the globe.

- **Issue a Leaders Statement that TTIP is part of the open architecture of trade.** Despite TTIP's inherent potential to leverage EU-US efforts to engage rising powers on the terms of their integration into the international rules-based order, EU and US leaders have not stated whether the eventual TTIP agreement, once concluded, might be open to others willing and able to commit to similar goals. This stands in contrast to the Trans-Pacific Partnership (TPP), where the US and its negotiating partners have stated explicitly that the TPP is open to other Asia-Pacific Economic Cooperation (APEC) members (including China and Russia) and in principle much of the Asia-Pacific region. The EU and the US have a common interest in demonstrating that TTIP is about trade creation, not trade diversion. Framing TTIP as an element of 'open architecture' accessible to others could give the EU and the US tremendous leverage in terms of ensuring an ever-broader commitment to the high standards and basic principles governing modern open economies. Failure to do so, however, contributes to concern among other countries that TTIP is a "West against the rest" initiative. It invites counterbalancing coalitions and undermines TTIP's own rationale as a values-driven lever to open global markets. As a first step, President Obama and EU leaders should state publicly that TTIP is part of an open architecture of trade (Hamilton 2014; Herfkens and Michalopoulos 2015).
- **Begin internal EU-US consultations on possible modalities of openness once TTIP is concluded.** Since TTIP negotiations are still underway, a Leaders Statement does not yet need to outline future modalities for accession, association, or complementary economic agreements with other countries. Yet work should begin now to consider such modalities. The EU and the US could also announce that they are initiating consultative/information mechanisms for third parties potentially affected by a final agreement, recognising that some of this is already underway. Once TTIP is concluded, the two parties should be proactive about making the 'open architecture' real.
- **Develop a common approach towards Sub-Saharan Africa in the context of TTIP.** Once TTIP is in place, it will make no sense for the EU and the US to have different preferential trade regimes towards low income and lower middle-income countries. In the context of the wider Atlantic, North American countries and the EU should harmonise their current hodgepodge of trade preference mechanisms for low-income African countries. Latin America could conceivably join in offering the same market access, building on preferences already given by some countries in Latin America, and on interests they have expressed within the World Trade Organisation (WTO) to improve market access for poorer developing countries. Such efforts should harmonise country and product coverage as well as rules of origin of current preferential arrangements, taking the best and most effective provisions of each respective programme, making them compatible and updating the rules to the current trading environment (Schmieg 2015; Herfkens 2015b; Khorana et al. 2014; Amoako et al. 2013).
- **Work together to encourage greater participation of Latin America in the Trade in Services Agreement (TISA).** A new agreement in services liberalisation

is critical to increasing productivity and competitiveness, as services are essential inputs in many global value chains. Conclusion of this agreement with participants from all parts of the world could be helpful to future WTO discussions on services, which have progressed very slowly so far. At present seven Latin American countries (Chile, Colombia, Costa Rica, Mexico, Panama, Paraguay, Peru) are participating. More should consider joining.

- **Lead a joint effort to redefine eligibility for Special and Differentiated Treatment (SDT) in the WTO.** Developing countries, with the exception of the Least-Developed Countries (LDCs), have pretended they are all the same and thus equally deserve more favourable treatment in trade; and developed countries have pretended to provide them with SDT, although they have really only done so for 48 LDCs that together account for a miniscule portion of world trade. This pretence culture should change. SDT should be provided only for countries defined as low-income and lower middle-income by the World Bank (\$4,000 in 2014) and accounting for less than 1% of world trade. Without such a change there is little chance for meaningful future trade liberalising agreements in the WTO. High and upper middle income countries in both Latin America (Brazil, Chile, Colombia, Costa Rica) and Africa (Tunisia, South Africa) could lead by voluntarily abandoning SDT, provided the EU, the US and other Organisation for Economic Co-operation and Development (OECD) countries commit to meaningful action for poorer countries (Herfkens and Michalopoulos 2015).
- **Engage the Atlantic South on a next-generation trade agenda.** Atlantic actors have various inducements to greater commercial cooperation, yet opportunities are likely to be lost without EU and US efforts to engage the Atlantic South. Companies and countries across the Atlantic space share an interest in:
 - leading global efforts at “blue growth” – harnessing the untapped potential of the ocean to create sustainable jobs and growth, in areas such as blue energy, aquaculture, tourism, marine mineral resources and blue biotechnology (Ecorys et al. 2012);
 - ending trade-distorting agricultural subsidies and exempting humanitarian aid from food export controls, as recommended by the Group of 20 (G20). Such initiatives seem more realistic now than in the past because of the changing outlook for agriculture from chronic surpluses to increased demand (Zoellick 2013);
 - devising standard operating principles by state-owned enterprises;
 - developing codes of conduct to promote transparency and accountability regarding natural resource management; and
 - charting an agenda for such next-generation development issues as investment and services, infrastructure, education, energy, business facilitation, good governance, the environment, and efforts to adapt to and mitigate climate change (Ruano 2015; Thorstensen and Ferraz 2015; Magaldi de Sousa and Gonzalez Cubria 2014; Atlantic Basin Initiative 2014).

2.2. Build a new aid architecture

Since the turn of the millennium the international landscape for development assistance has changed. Countries that were once poor, like China, Brazil or Turkey, have started their own foreign aid programmes. Traditional donors in the OECD's Development Assistance Committee (DAC) have committed to change their

programmes based on lessons learned from accumulated evaluations of aid effectiveness.

Unfortunately, implementation has lagged and the international aid architecture has not been updated. Today, less than half of technical cooperation flows are consistent with national development strategies (Herfkens 2015a; Slaughter 2015; United Nations 2014). Aid should be integrated in the recipient's regular planning and budget systems and, where possible, donors must support developing countries with predictable multi-year funding for *their* home-grown programmes and transfer the management of aid to the partner government. New donors like Brazil fully understand and respect the importance of ownership. Sharing their own development experiences with emphasis on the “how-to” aspects of implementing development projects and programmes creates a clear comparative advantage.

Atlantic leadership is key to a new division of labour that can make aid more effective and transparent. The Atlantic North accounts for most of the world's development assistance. The Atlantic South accounts for most of the world's new donors and most of the world's recipients of development assistance. Given the comparative advantages described above, “new” Atlantic donors could focus primarily on transfer of knowledge, while “traditional” donors focus on continued transfer of financial resources to poor countries that need external concessional support. Such support could be based on innovative new mechanisms being piloted by various EU and US agencies, such as “Cash-on-Delivery-Aid” (OECD/UNDP 2014), or increased contributions to the multilateral development banks. Those banks do not suffer the type of challenges presented by bilateral aid. They also participate actively in the aid effectiveness debate and they implement their commitments (Herfkens 2015a; Goerg 2014).

3. Harness the Atlantic energy Renaissance

3.1. Bridge the North Atlantic energy divide

The EU and the US lack a clear strategic vision of energy cooperation as a fundamental pillar of their strategic partnership. An energy divide is opening up across the North Atlantic that could severely affect EU interests.

America's oil and gas boom has rendered the US over 80% self-sufficient in energy production and use. It will soon become an exporter of natural gas and surpass both Russia and Saudi Arabia to become the world's largest producer of oil and liquid natural gas. US dependence on foreign energy imports is projected to fall from 30% in 2005 to just 4% in 2040.

The EU, in contrast, produces only a small portion of its energy needs, importing about 80% of its oil and about 60% of its gas. More than a third of this oil and 30% of the gas comes from Russia. Some EU member states are 100% dependent on Russia for their gas needs. Renewables and other energy sources have mitigated Europe's dependence somewhat, but the impact has been uneven. While the EU is making strides, it has yet to forge a true energy union and challenges abound.

In addition, whereas the current fall in global energy prices is likely to be a short-term phenomenon, over time America's energy renaissance is likely to render energy costs for US energy-intensive sectors 2-3 times cheaper than equivalent European-based industries. Moreover, many Europeans are concerned that these new energy dynamics could reinforce other centrifugal forces pulling US attention away from Europe and

perhaps, over time, even from the Middle East – with potentially significant implications for European security and prosperity. These developments underscore the need for proactive EU approaches.

- **Facilitate North Atlantic energy trade.** There is a real prospect that the US and Canada can provide additional energy to Europe. The economics of current energy commerce, however, do not favour such exports. The removal of legal, financial, technical and bureaucratic obstructions is essential to facilitate a strategic energy relationship across the Atlantic. Interconnectors, smart grids, and new technologies will be essential to ensure that energy imports from the US and other Atlantic partners are distributed efficiently across the European continent. Critics are sceptical that substantial US energy flows could happen anytime soon, given the need to build appropriate new infrastructure that could take years to complete. Yet investors likely to fund such efforts are deciding today on multi-year projects, and thus a strong political signal of intent can in fact influence investment decisions.
- **Push hard for a robust energy chapter in TTIP.** A successful TTIP would enable the US to export gas to Europe, since US law prohibits such exports (or requires onerous licensing procedures) except to countries with which the US has a free trade agreement. In addition, TTIP could enable the US and the EU to align standards in areas such as e-mobility and energy efficiency, reduce tariff and non-tariff barriers to clean energy goods and services, and create mechanisms for mutual recognition of regulatory processes regarding energy innovation. It also offers a mechanism for the US and the EU to agree on basic normative principles that could have important global repercussions.
- **Take the EU-US Transatlantic Energy Council more seriously.** Its effectiveness has been questionable. The Council could offer a platform through which to include the private sector, since it will inevitably play a major role. Industry needs signals from governments that North Atlantic energy trade and investment in the European energy sector is deemed to be a strategic priority.
- **Take the initiative to boost EU-US energy research and development** that can pool scarce research resources, encourage faster and broader roll-out of new technologies, and develop common standards for new technologies for further dissemination.

3.2. Advance Pan-Atlantic energy initiatives

EU-US energy cooperation and EU energy security would be further enhanced through greater joint attention to the energy renaissance that is unfolding across the full Atlantic Basin, including the Atlantic South. We are on the cusp of fundamentally changing the way energy is produced, distributed and traded across the entire Atlantic space. Over the next 20 years the Atlantic is likely to become the energy reservoir of the world and a net exporter of many forms of energy to the Indian Ocean and Pacific Ocean basins. The Atlantic is setting the global pace for energy innovation and redrawing global maps for oil, gas, and renewables as new players and technologies emerge, new conventional and unconventional sources come online, energy services boom, and opportunities appear all along the energy supply chain (Isbell 2014b; Atlantic Basin Initiative 2014; Jafee 2011).

With these perspectives in mind, EU and US actors should lay the ground for broader engagement across the pan-Atlantic space, including the following steps:

- **Work with the newly formed Atlantic Energy Forum (AEF) and other public-private partnerships focused on ways to facilitate and develop Atlantic Basin energy trade and investment**, including through:
 - open and competitive markets for energy products, materials, equipment and services;
 - removal of technical, administrative and other barriers to trade in energy and associated equipment, technologies and energy-related services;
 - collaborative efforts to eliminate illicit trade in energy;
 - improved access to energy resources, exploration and development thereof on a commercial basis;
 - access on commercial terms to technologies for the exploration, development and use of energy resources;
 - modernisation, renewal and rationalisation by industry of services and installations for the production, conversion, transport, distribution and use of energy;
 - best possible access to capital, including public-private partnership financial conditions, particularly through appropriate existing financial institutions;
 - achieving and maintaining a high level of nuclear safety and ensuring effective cooperation in this field;
 - promotion of energy mixes designed to minimise negative environmental consequences;
 - further development and interconnection of energy transport infrastructure within the Atlantic Basin, and improved access to such infrastructure for international transit purposes.

- **Promote an Atlantic Action Alliance for Energy Access.**
 - The Alliance would bring together energy and climate non-governmental organisations (NGOs) and do-tanks, small and medium size enterprises, renewables manufacturers, regulatory officials and policy makers, international, regional and local financial institutions, and representatives of public-private partnerships and entities working in the realm of sustainable development. Particular attention should be placed on adaptation to and mitigation of climate change.
 - The Alliance would develop a mechanism for putting actual and potential renewables entrepreneurs on the ground into contact with finance mechanisms, regulatory officials and policymakers, technical assistance programmes and facilities, to stimulate more rapid development.
 - The Alliance's goals would be to offer advice for policy, locate potential niches, identify investment projects and financial resources, provide a link between small-and-medium sized enterprises and existing and evolving global support networks, and contribute, where possible, to removing barriers to sustainable development.

- **Develop a cooperative Atlantic biofuels initiative** inspired and underpinned by the Atlantic basin's current global dominance in such energy. The Atlantic is the cradle of the modern biofuels industry and home to well over 80% of current global production and trade. Such a cooperative scheme in the realm of Atlantic biofuels would be helpful with regard to:

- the effort to create an effective multilateral commodity regime for biofuels;
- collaboration in the realm of biofuels research, development, investment, production, distribution and regulation, particularly regarding second-generation “cellulosic” biofuels technology;
- the potential distortions of, or risks posed by, large-scale public support and/or use of biofuels to food security, the environment, economic development and trade; and
- rationalisation and standardisation of current biofuels data, which is plagued by inconsistencies.

Pan-Atlantic agreements in this area would not only advance the industry across the Atlantic Basin, they could form the core of global approaches.

4. Focus on the Atlantic Ocean

The Atlantic Ocean shares problems with other oceans – pollution, degradation of marine and coastal ecosystems and marine biodiversity, and the manifold effects of climate change. There are issues distinct to the Atlantic, however, that increasingly require EU-US engagement and pan-Atlantic attention.

- The Atlantic serves a unique function as the locus of the planet's thermohaline system, a global circulation pattern of currents that distributes water and heat from the equator to the poles, reducing extremes in the planet's climate. There are indications that changes to this pattern are under way, presaging untold effects all across the globe (Nellemann et al. 2008).
- The Atlantic plays a particularly important role in carbon storage, yet is not absorbing carbon dioxide as fast as humans are emitting it and the high levels that are being absorbed by the Atlantic are raising acidity, with potentially cascading effects throughout the marine food chain and the overall structure of marine ecosystems.
- Warmer oceans and rising sea levels interact to enhance the destructive potential of more powerful storms. Their impact may be greatest at particular hot spot areas experiencing greater than average sea level rise – such as the US East Coast (Tedsen et al. 2014; Sallenger et al. 2012). As coastal regions all along the Atlantic struggle to cope with future calamities, extremely expensive surge barrier projects such as those around London, Rotterdam and Venice are likely to remain exceptions. Just as important could be new mechanisms of pan-Atlantic exchange of best practice regarding integrated coastal risk management.
- The Atlantic is home to most of the world's marine low-oxygen “dead zones,” which are increasing rapidly in size and number (Diaz and Rosenberg 2008).
- The Atlantic is home to the world's highest levels of overfishing. Four of the Atlantic's seven marine fishing areas lead the world with 50% or more of stocks overfished, and in the other three areas up to 30% of fish stocks are overexploited, due in large part to unsustainable fishery subsidies. As traditional North Atlantic fishing grounds become less fruitful, global fishing fleets are focusing increasingly on the southern Atlantic, resulting in greater illegal, unregulated, and unreported fishing (Richardson et al. 2012; Watson and Pauly 2001).

- Rising water temperatures in the Northeast Atlantic are shifting the ranges and variations of warmer water marine organisms towards the poles. These changing patterns are creating new challenges for sustainable fisheries management and affecting fisheries catch probabilities, potentially benefiting the Arctic, and Atlantic temperate waters, at the expense of the Gulf of Mexico and Atlantic equatorial waters (Atlantic Basin Initiative 2014).

Despite this multitude of issues, Atlantic Ocean governance is patchy. Some North Atlantic mechanisms are at work, but South Atlantic arrangements are uneven and weak, and no overarching pan-Atlantic framework exists. In the case of pollution from ships, for instance, the 1969 Bonn Agreement, amended in 1983, provides for cooperative arrangements with regard to such eventualities in the north-eastern Atlantic, but equivalent arrangements do not exist for other quadrants of the Atlantic. Broad cooperative mechanisms such as the European Maritime Safety Agency do not exist in the southern Atlantic beyond national organisations (Richardson et al. 2012).

Given this situation, the EU and US share interest in engaging other Atlantic partners in an agenda for the Atlantic Ocean, notionally including the following elements:

- Northern Atlantic partners could consider offering satellite photos along major maritime routes to Southern Atlantic partners willing to receive them.
- Consideration could be given to an Atlantic Coast Guard Forum to facilitate operational cooperation and exchange of best practices, including among magistrates of coastal states with regard to investigation methods.
- Encourage the creation of a Southern Atlantic forum within which countries can share their own ideas on ocean governance and maritime policy and profit from the experience of the North. Over time, the activities of this forum could lead southern states to set up governance mechanisms for sustainable and safe shared development (Richardson et al. 2012).
- Engage Atlantic partners in a “blue growth” that could encompass various initiatives to harness the untapped potential of oceans, seas and coasts for jobs and growth.

5. Enhance human security

Trafficking in people, arms, drugs and money, piracy, political instability, and terrorist infiltration used to be local or regional scourges. All are now becoming concerns of pan-Atlantic scope. Human security – protecting people from violence or disruption – is likely to be more of a driver than state security when it comes to pan-Atlantic cooperation. Furthermore, these security challenges tend to be common, and thus present an opportunity to unite efforts and test new modes of governance.

Atlantic Basin countries are also bound by the consequences of other human security challenges, including illegal exploitation and illicit trade of natural resources; corporate bribery; illicit diversion of assistance expenditures; the channelling of illicit flows to secrecy jurisdictions; tax evasion; cybercrime; oil bunkering (illegal tapping of pipelines); and exploitation of labour.

The evolving situation in Mali is emblematic. The French-led intervention was characterised as an effort to roust al-Qaeda in the Islamic Maghreb from territory twice the size of France that it had wrested from Malian authorities. But what gave the

movement real potency was not the attraction of its radical ideology but its close and lucrative links to crime cartels trafficking in drugs and guns, primarily from the Americas and Europe. Latin American gun runners and narco-cartels have leapfrogged the Atlantic, using weakly governed spaces in west Africa as logistics hubs and transshipment points for destinations in Europe and beyond (Faria 2014; Aning 2010; Østebø 2012; Lacher 2012). This nexus of crime, drugs, guns and terror has become a pan-Atlantic challenge and requires pan-Atlantic answers.

European and American societies are each intertwined in these dark networks; each has an interest in combating them together and with other Atlantic partners (US Department of State 2015; Jacobson and Daurora 2014). Given Southern sensitivities and discrepancies between northern and southern Atlantic governance mechanisms, pan-Atlantic networks might usefully begin in the South. Yet Northern Atlantic countries can provide experience and funding without a heavy footprint as southern Atlantic countries take on greater responsibilities for the common good of the neighbourhood. Over time, new forms of cooperation on common human security challenges could evolve. Such efforts would not be starting from scratch, of course, but the patchwork cooperation that does exist has yet to inspire a broader pan-Atlantic architecture, and belies a diversity of views and priorities with regard to organised crime and illicit activities that has not yet been addressed adequately. Related questions of governance and development must be included (Hamilton 2015b; Kotsopoulos 2014; O'Regan 2010).

- With these considerations in mind, the EU and the US should consider working with partners in the Atlantic South to create an Atlantic Human Security Forum to consider concerted pan-Atlantic efforts to promote human security across the entire region. Such efforts can build on a variety of sub-regional mechanisms already in place. Further steps might include, inter alia, improvement in mutual intelligence, assistance, surveillance, and interdiction capacities to combat illicit maritime activities and trafficking in drugs, arms or human beings, and strengthened networks of mutual assistance agreements among Atlantic states. Such networks could be informed by a few basic principles: agreement on military restraint; commitment to keeping sea lanes and sea lines of communication open; regular consultations on security challenges; and appropriate action against common threats such as trafficking, transnational organised crime, piracy, terrorism and natural disasters.

6. Promote resilience and Atlantic flow security

As the new Atlantic economy grows ever more connected, complex flows of capital, goods, information and people are creating new interlinked networks. Yet this dynamism also creates vulnerabilities that can lead to accidental or intentional disruption of such critical functions as transportation, energy flows, medical services, food supply chains and business systems, communications, cyber links and financial networks.

These developments suggest that over the next decade and more both public and private actors across the entire Atlantic space will recognise the growing need for greater resilience – the ability to anticipate, prevent, respond to and recover from disruptions to critical societal functions. Just as governments traditionally protect their territory, so too must they protect their connectedness – the networks that bind them and their citizens with the rest of the world.

Taken together, these challenges present opportunity to Atlantic stakeholders to form pan-Atlantic networks oriented to ensure security of pan-Atlantic flows. The EU and the US should consider creating a public-private Atlantic Movement Management Initiative, the task of which would be to align security and resilience with commercial imperatives in Atlantic movement systems, including shipping, air transport, and cyberspace. Such an effort could improve cooperation among public and private stakeholders and serve potentially as a precursor for a more ambitious global governance framework (Hamilton 2015b; Atlantic Basin Initiative 2014).

A further development makes discussion of pan-Atlantic security cooperation more relevant. US primacy on the high seas has guaranteed commercial maritime stability for decades, and has, therefore, been taken for granted, even as globalisation has depended on it. Yet given a reduction in US and UK military spending and a renewed US naval focus on the Pacific, we may be entering a phase of history in which several nations might share dominance of the high seas, rather than one as in the recent past. This situation is likely to emerge in the Atlantic before it would in the Pacific, and thus the Atlantic may become a test bed for a maritime concert of democracies dedicated to ensuring Atlantic Ocean security (Sousa 2014; Richardson et al. 2012; Atlantic Basin Initiative 2014).

7. Address Asia's pivot to the Atlantic

Over the next decade and beyond one of the most significant external factors shaping pan-Atlantic economic connections, including the respective roles of the EU and the US in the Atlantic space, will be the rise of Asia as an Atlantic actor. As the EU and the US each consider their respective pivot to Asia, they would do well to understand how Asian powers are pivoting to the Atlantic, and to incorporate this dimension into their traditional agenda (Abdenur and Souza Neto 2013; China-Brazil Business Council 2013; Hamilton 2015a; Alessandri et al. 2012).

The EU and the US, either individually or collectively, should consider the following measures:

- **Don't just pivot to the Pacific, harness the Atlantic.** The EU and the US should address Asia's rise not only by engaging directly in Asia but by strengthening the foundations of their own engagement. In this sense, stronger ties among North and South Atlantic countries are not only important in their own right; they can offer a framework to address Asian engagement on issues of pan-Atlantic concern while strengthening the foundations of Atlantic engagement in the Asian Hemisphere. The reverse is also true: without active US and European engagement as *pan*-Atlantic, not just *transatlantic* powers, exclusionary mechanisms could emerge; new privileged partnerships or resource arrangements could be built; and restrictive trade deals or discriminatory financial arrangements could threaten US and European interests.
- **Address Asia's Atlantic turn in the context of pluralism, not containment or confrontation.** This does not mean excluding or neglecting competition or hard geopolitical considerations, but it underscores the importance of placing such considerations within the broader framework of interdependence. Asian countries are already Atlantic actors and in many cases are important sources of jobs, growth and economic development. A number are important allies and partners for North Atlantic countries. Yet there is concern, particularly in the South Atlantic, about

dependencies and various operating methods. The EU and the US should not seek to isolate or prevent China and other Asian powers from operating in the Atlantic Hemisphere. They should work with them and Atlantic actors to tackle issues such as how to move beyond traditional commodities-for-manufacturing patterns to make trade more balanced and sustainable; how to manage volatility in commodity and resource markets; and how to ensure that growth does not come at the expense of regional development or local manufacturing industries (Hamilton 2015a; Binnendijk 2014; Alessandri et al. 2012).

- **Engage Asian actors in differentiated dialogues on Atlantic Hemisphere issues.**
 - **Engage China directly.** Take up China's call for a "new type of big power relationship" by using the US-China Strategic and Economic Dialogue and EU-China summit frameworks to elevate consultations on African, Latin American and polar issues. Such a framework should be used not only to raise concerns but to explore ways to coordinate on such issues as aid, development, technology, technical assistance and alleviating energy poverty (Songwe et al. 2013; Alessandri et al. 2012).
 - **Encourage India's engagement on Atlantic Hemisphere issues**, while being careful not to overload expectations or to tout India's development model bluntly as an alternative to that of China. Identify practical areas for mutual support, for instance electoral best practices and foreign assistance (Jaishankar 2012).
 - **Coordinate more effectively with Japan, Australia, South Korea and other Asian actors** on common or complementary approaches to technical assistance, economic development, aid, as well as norms and standards.
 - **Incorporate into EU-US consultations issues arising from Asian activities in the Atlantic Hemisphere.** EU and US officials each engage with Latin American and African counterparts on issues related to Asia's rise, yet do little to consult each other on such issues, particularly with regard to Asian activities in the South Atlantic.
 - **Encourage Asian countries to enhance their contributions to the regional development banks of the Atlantic Hemisphere** – the African Development Bank, the African Export-Import Bank, the Inter-American Development Bank, and the CAF Development Bank of Latin America – as part of a general effort to encourage these countries to be responsible actors in the development of the South Atlantic.
 - **Be open to good practice coming from Asia.** Although the Asian Hemisphere is even more diverse than the Atlantic Hemisphere, regional initiatives have been underway for some decades already, offering useful orientation for the EU and the US as they work with their Atlantic partners. APEC, for instance, has carried out practical cooperation in a wide range of areas ranging from structural reforms, standards and conformance and health, education and labour to promoting trade in environmental goods and services, improving supply chain performance, promoting connectivity, and strengthening the implementation of good regulatory practices. Mechanisms such as the APEC Business Advisory Council or the APEC Asia-Pacific Infrastructure Partnership offer useful orientation for pan-Atlantic efforts.

8. Conclusion

This pan-Atlantic agenda for EU-US relations is ambitious. It is not likely to be easy. It is unclear whether Europeans or Americans understand their growing stake in the connections that are increasingly binding the peoples of the Atlantic Hemisphere, much less whether they are prepared to muster both the resources and political will required to incorporate a pan-Atlantic agenda into traditional EU-US mechanisms of cooperation. Other EU-US efforts to extend their partnership beyond their traditional focus on Europe and the Atlantic North have had mixed results. In many areas, relative convergence of views on overall goals often contrasts with differences over tactics; asymmetrical institutional frameworks; strategic-action capacity and inadequate tools.

Yet the new dynamics of the Atlantic offer the EU and the US opportunities to test new modes of networked cooperation attuned to modern challenges. As the tectonic plates of the global system continue to shift, the Atlantic Basin potentially offers the EU and the US a stronger geopolitical and geoeconomic base from which to engage on key issues, and a test bed for interregional, networked governance between developed and emerging countries – particularly if it is made clear at the outset that such efforts are not intended to contain China, compete with Pacific arrangements, or to extend Northern institutions southward. This pan-Atlantic agenda offers the EU and the US the possibility to erase the invisible line dividing the Atlantic North from the Atlantic South by working with Atlantic partners to define a new “Atlantic Community” better positioned to face the new world rising before us.

References

- ABDENUR, Adriana Erthal and Danilo Marcondes de SOUZA NETO. La creciente influencia de China en el Atlántico Sur, *Revista CIDOB d'Afers Internacionals*, No. 102-103, 2013, pp. 169-197.
http://www.cidob.org/es/content/download/58780/1528304/version/2/file/169-198_ADRIANA%20ERTHAL.pdf.
- ALESSANDRI, Emiliano, et al. *China and India: New Actors in the Southern Atlantic*. Washington, DC: German Marshall Fund of the United States, December 2012.
<http://www.gmfus.org/node/7382>.
- AMOAKO, K.Y., Daniel HAMILTON and Eveline HERFKENS. A Trans-Atlantic Deal for Africa, *The New York Times*, May 8, 2013. <http://nyti.ms/11eOrJr>.
- ANING, Kwesi, Understanding the Links between Terrorism and Trafficking in the Sahel. In: *Africa South of the Sahara 2011*. London: Routledge, 2010, pp. 53-57.
- ATLANTIC BASIN INITIATIVE. Eminent Persons Group. *A New Atlantic Community: Generating Growth, Human Development and Security in the Atlantic Hemisphere*. Washington, DC: Center for Transatlantic Relations, 2014.
http://transatlanticrelations.org/sites/default/files/EPG_White_Paper_Report.pdf.
- BINNENDIJK, Hans, ed. *A Transatlantic Pivot to Asia: Towards New Trilateral Partnerships*. Washington, DC: Center for Transatlantic Relations, 2014.
<http://transatlanticrelations.org/node/569>.
- CHINA-BRAZIL BUSINESS COUNCIL. *Investments in Brazil from 2007-2012: A Review of Recent Trends*. June 2013. <http://www.cebc.org.br/en/node/3430>.
- DIAZ, Robert J. and Rutger ROSENBERG. Spreading Dead Zones and Consequences for Marine Ecosystems. *Science*, August 15, 2008, 5891, pp. 926-929.
- ECONOMY, Elizabeth C. and Michael LEVI. *By All Means Necessary. How China's Resource Quest is Changing the World*. Oxford. Oxford University Press, 2014.
- ECORYS et al., *Blue Growth. Scenarios and drivers for Sustainable Growth from the Oceans, Seas and Coasts*. Final Report. Study on behalf of the European Commission, DG MARE, 2012. <https://webgate.ec.europa.eu/maritimeforum/en/node/2946>.
- FARIA, Fernanda. Fragile States: Challenges and Opportunities for Atlantic Relations. *Atlantic Future Scientific Papers*, No. 9, October 2014.
<http://www.atlanticfuture.eu/contents/view/fragile-states-in-the-atlantic>.
- GOERG, Madeleine. Development in the Atlantic: Between cooperation and competition. *Atlantic Future Scientific Papers*, 11, September 2014.
<http://www.atlanticfuture.eu/contents/view/development-in-the-atlantic>.
- HAMILTON, Daniel S., ed. *Atlantic Rising. Changing Commercial Dynamics in the Atlantic Basin*. Washington, DC: Center for Transatlantic Relations, 2015a.
<http://transatlanticrelations.org/node/541>.

HAMILTON, Daniel S., ed. *Dark Networks in the Atlantic Basin: Emerging Trends and Implications for Human Security*. Washington, DC: Center for Transatlantic Relations, 2015b. <http://transatlanticrelations.org/node/547>.

HAMILTON, Daniel S., ed. *The Geopolitics of TTIP. Repositioning the Transatlantic Relationship for a Changing World*. Washington, DC: Center for Transatlantic Relations, 2014. <http://transatlanticrelations.org/node/506>.

HAMILTON, Daniel S., ed. *Shoulder to Shoulder: Forging a Strategic US-EU Partnership*. Washington, DC: Center for Transatlantic Relations, 2009. <http://www.isn.ethz.ch/Digital-Library/Publications/Detail/?lang=en&id=110378>.

HAMILTON, Daniel S. and Joseph P. QUINLAN. *The Transatlantic Economy 2015*. Washington, DC: Center for Transatlantic Relations, 2015. <http://transatlanticrelations.org/node/571>.

HERFKENS, Eveline. *A New Aid Architecture: How the Atlantic Can Lead*. Working Paper for the 2015 Atlantic Business Forum, Estoril, Portugal. Washington, DC: Center for Transatlantic Relations, 2015a. http://transatlanticrelations.org/sites/default/files/ABF_paper_herfkens.pdf.

HERFKENS, Eveline. Harmonized Trade Preferences for Low-Income African Countries: A Pan-Atlantic Initiative. In: Daniel S. Hamilton, ed., *Atlantic Rising: Changing Commercial Dynamics in the Atlantic Basin*. Washington, DC: Center for Transatlantic Relations, 2015b, pp. 59-80. <http://transatlanticrelations.org/node/541>.

HERFKENS, Eveline and Constantine MICHALOPOULOS. *Multilateral, Plurilateral and Bilateral Trade: Untangling the Knots and Advancing Atlantic Commerce*. Working Paper for the 2015 Atlantic Business Forum, Estoril, Portugal. Washington, DC: Center for Transatlantic Relations, 2015. http://transatlanticrelations.org/sites/default/files/ABF_paper_herfkens_michalopoulos.pdf

ISELL, Paul. An Introduction to the Future of Energy in the Atlantic Basin. Working Paper for the 2014 Atlantic Energy Forum, Quintano Roo, Mexico. Washington, DC: Center for Transatlantic Relations, 2014a. http://transatlanticrelations.org/sites/default/files/Futureofenergy_introd.pdf.

ISELL, Paul. Atlantic Energy and the Changing Global Energy Flow Map. *Atlantic Future Scientific Papers*, No. 17, September 2014b. <http://www.atlanticfuture.eu/contents/view/an-atlantic-energy-renaissance>.

JACOBSON, Mark R. and Max Daurora. Significant Trends in Illicit Trafficking: A Macro View of the Problem and Potential Means to Address It. *Atlantic Future Scientific Papers*, No. 8, September 2014. <http://www.atlanticfuture.eu/contents/view/transnational-threats-in-the-atlantic>.

JAFEE, Amy Myers. The Americas, Not the Middle East, Will Be the World Capital of Energy. *Foreign Policy*, 188, Sept/Oct 2011, pp. 1-3. <http://wp.me/p4Os1y-oGj>.

JAISHANKAR, Dhruva. India in the Southern Atlantic: An Overview. In: Emiliano Alessandri, et al., *China and India: New Actors in the Southern Atlantic*. Washington, DC: German Marshall Fund of the United States, December 2012, pp. 25-34. <http://www.gmfus.org/node/7382>.

KHORANA, S., S. MCGUIRE and N. PERDIKIS. Multilateral Agreements and Global Governance of International Trade Regimes. *Atlantic Future Scientific Papers*, No. 3, September 2014.

<http://www.atlanticfuture.eu/contents/view/trade-governance-in-the-atlantic>.

KOTSOPOULOS, John. The Atlantic as a new security area? Current engagements and prospects for security cooperation between Africa and its Atlantic counterparts. *Atlantic Future Scientific Papers*, No. 6, September 2014.

<http://www.atlanticfuture.eu/contents/view/the-atlantic-as-a-new-security-area>.

LACHER, Wolfram. Organized Crime and Conflict in the Sahel-Sahara Region. *Carnegie Papers*, September 2012. <http://ceip.org/1vNuXJW>.

MAGALDI DE SOUSA, Mariana and Elsy GONZALEZ CUBRIA. Global Value Chains in the Atlantic Space. *Atlantic Future Scientific Papers*, No. 4, September 2014. <http://www.atlanticfuture.eu/contents/view/global-value-chains-in-the-atlantic>.

MAHBUBANI, Kishore. *The New Asian Hemisphere: The Irresistible Shift of Global Power to the East*. New York: PublicAffairs, 2008.

NELLEMANN, Christian, Stephan HAIN and Jackie ALDER, eds. *In Dead Water – Merging of climate change with pollution, over-harvest, and infestations in the world's fishing grounds*. Arendal: United Nations Environment Programme, GRID-Arendal, February 2008. http://www.unep.org/pdf/InDeadWater_LR.pdf.

OECD/UNDP. *Making Development Co-operation More Effective: 2014 Progress Report*. Paris: OECD, 2014. <http://dx.doi.org/10.1787/9789264209305-en>.

O'REGAN, Davin. Cocaine and Instability in Africa: Lessons from Latin America and the Caribbean. *Africa Security Briefs*, No. 5, July 2010. http://africacenter.org/wp-content/uploads/2010/07/AfricaBriefFinal_5.pdf.

ØSTEBØ, Terje. Islamic Militancy in Africa. *Africa Security Briefs*, No. 23, November 2012. http://africacenter.org/wp-content/uploads/2012/11/AfricaBriefFinal_23.pdf.

RICHARDSON, John, et al. *The Fractured Ocean. Current Challenges to Maritime Policy in the Wider Atlantic*. Washington, DC: German Marshall Fund of the United States, 2012. <http://www.gmfus.org/node/7384>.

RUANO, Lorena. Merchandise Trade in the Atlantic Basin. In: Daniel S. HAMILTON, ed., *Atlantic Rising: Changing Commercial Dynamics in the Atlantic Basin*. Washington, DC: Center for Transatlantic Relations, 2015, pp. 1-24. <http://transatlanticrelations.org/node/541>.

SALLENGER, Asbury H., Kara S. DORAN and Peter A. HOWD. Hotspot of accelerated sea-level rise on the Atlantic coast of North America. *Nature Climate Change*, No. 2, 24 June 2012, pp. 884-888. doi:10.1038/nclimate1597.

SCHMIEG, Evita. Trade Policy Options for Sub-Saharan Africa. TTIP, EPAs, WTO and African Integration. *SWP Comments*, No. 23, April 2015. http://www.swp-berlin.org/fileadmin/contents/products/aktuell/2015C23_scm.pdf.

SLAUGHTER, Anne-Marie. New-Model Development Finance. *Project Syndicate*, May 22, 2015. <http://po.st/KjkjMx>.

SONGWE, Vera, Yun SUN and Julius AGBOR. Obama-Xi Summit: Four Reasons Africa Deserves Attention at the Talks. *UpFront Blog*, June 7, 2013. <http://brook.gs/1VSJX0W>.

SOUSA, Inês. Maritime Territorial Delimitation and Maritime Security in the Atlantic. *Atlantic Future Scientific Papers*, No. 7, September 2014. <http://www.atlanticfuture.eu/contents/view/maritime-security-in-the-atlantic>.

TEDSEN, Elizabeth, et al. Marine resource management and coastal livelihoods: an Atlantic perspective. *Atlantic Future Scientific Papers*, No. 15, October 2014. <http://www.atlanticfuture.eu/contents/view/marine-resources-and-coastal-livelihoods>.

THORSTENSEN, Vera and Lucas FERRAZ. The Impact of TTIP on Brazil. In: Daniel S. HAMILTON, ed., *Atlantic Rising: Changing Commercial Dynamics in the Atlantic Basin*. Washington, DC: Center for Transatlantic Relations, 2015, pp. 115-137. <http://transatlanticrelations.org/node/541>.

UNITED NATIONS. *Trends and progress in international development cooperation*, Report of the Secretary-General, E/2014/77. May 15, 2014. <http://undocs.org/E/2014/77>.

US DEPARTMENT OF STATE. *International Narcotics Control Strategy Report 2015*. Washington, March 2015. <http://www.state.gov/documents/organization/239560.pdf>

WATSON, Reg and Daniel PAULY. Systematic distortions in world fisheries catch trends. *Nature*, Vol. 414, No. 6863, November 29, 2001, pp. 534–536.

ZOELLICK, Robert. Five questions for the world's next trade chief. *Financial Times*, April 2, 2013. <http://on.ft.com/X8OdyK>