American-European Alignment: An Assessment of Economic and Security Factors Impacting the Relationship Between the United States and Europe Since WWII

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American-European Alignment: An Assessment of Economic and Security Factors Impacting the Relationship Between the United States and Europe Since WWII

Submitted to
Professor Jordan Branch

by
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for
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Abstract

The United States and Europe have had a relationship that has constantly augmented during the past 80 years. The extent of this change has depended on a number of factors including security and economics. This paper seeks to analyze the relationship between the United States and Europe throughout the Cold War, following the Cold War, and in the wake of Russia’s current invasion of Ukraine. It will view the partnership through a security and economic lens and seek to determine how much both factors impact the relationship and in what way each factor has impacted the relationship. It will also examine whether the relationship has changed during each timeframe or if there are different relationships across different issues. Finally, this paper will seek to explain how security concerns and events are more impactful to the alignment between the United States and Europe when compared to economic components.
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I. Introduction

Since its founding in 1776, the United States has cooperated with various nation-states throughout Europe. This cooperation has surged and dwindled, contingent on a plethora of conditions. As a neoteric nation, United States foreign policy echoed the sentiments of its early leaders, with George Washington having stated the following: “The Great rule of conduct for us, in regard to foreign Nations is in extending our commercial relations, to have with them as little political connection as possible.”¹ This was further noted with the Monroe Doctrine in 1823, which advocated for American isolationism. Some of the most impactful results of American-European partnership came to fruition following WWII and throughout the Cold War. The cooperation over time led to a united western front, with the focal point being the expansion of democracy, economic prosperity, and security. Shortly after WWII, President Truman signed off on the Economic Cooperation Act of 1948. This act would be known as the Marshall Plan, with Congress apportioning $13.3 billion dollars for Western European recovery over the next four years.² The current value of the aid towards Europe featured in the Marshall Plan would be just over $162 billion dollars.³ The aid was instrumental in rebuilding the Western European economy after the most devastating war in human history. In conjunction with fueling capital needs and dispensing raw materials, the

Marshall Plan was an act of American stewardship towards the European economy and would act as a catalyst for future European-American relations. In addition to providing raw goods needed for rebuilding, it created trading partners for the U.S. and a new market for American-made goods and products. It would eventually lead to a 15 to 25 percent increase in gross national product for the Western European countries involved. This growth would further exacerbate the stark differences between Eastern and Western Europe in the decades following WWII and underscore the ideological differences between the United States and Soviet Union.

The Marshall Plan is considered by some to be the beginning of the Cold War. Within the Eastern Bloc, The Soviet Union developed the Molotov Plan to mimic American efforts in Western Europe. The Molotov Plan would eventually evolve into the Council for Mutual Economic Assistance (Comecon), and finally into the Warsaw Pact. Both the Marshall Plan and Molotov Plan were designed to rebuild the Western Bloc and Eastern Bloc, respectively. Despite this, they both morphed into one of the largest security concerns in human history. Just as economic growth has been an impetus for European and American cooperation, security concerns are even more eminent. In tandem with the Marshall Plan, Western Europe was also a key benefactor of the Mutual Defense Assistance Program, which was proposed by President Truman in 1949 and allocated $1.4 billion dollars towards the reconstruction of Western European

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defenses. The North Atlantic Treaty Organization (NATO) further galvanized the synergy between the United States and Western Europe from a security perspective.

NATO would eventually outlive the Cold War, expanding membership to several former Soviet states and burgeoning into the largest peacetime military alliance in the world. Although the Soviet Union eventually fell, there was still significant security alignment between the U.S. and Europe, demonstrated by a continuous American military presence in the region. Many of the strongest U.S. allies are NATO members. Furthermore, through the inception of the European Union, transatlantic trade would eventually reach an all-time high of €1.2 trillion in 2021. With respect to economic and security cooperation, this essay in its entirety will analyze the change in cooperation between the two bodies, the main factors leading towards cooperation, and how cooperation has waxed and waned. The analysis will feature events throughout the Cold War and up to the current conflict between Russia and Ukraine. Cooperation between the U.S. and Europe has remained high following the end of WWII. This cooperation has been primarily caused by security concerns and security events, which have increased alignment.

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7 Ibid.

II. American-Western European Collaboration During the Cold War

Security Cooperation

Following the end of WWII, the Cold War between the United States and Soviet Union soon followed. The preponderance of power created a bipolar atmosphere, with nation-states often aligning with either the U.S. or the Soviet Union. As such, there was an instant security concern in the European theatre and abroad. Nation-states that constituted Western Europe found themselves working closely with the United States on a variety of issues. In addition to programs designed to rebuild Western Europe, this paper supports the notion that security concerns regarding the Soviet Union are what aligned Western Europe with the United States. The initial security alignment was created through the proliferation of NATO in 1949. Specifically, “NATO was the primary security institution, and European states imposed sanctions and built weapons with the United States.”9 While cooperation was both direct and indirect, European states supported the United States in a variety of ways and worked towards multiple goals. Specifically, the purpose of NATO was not only to act as a fulcrum against the Soviet Union: “In fact, the Alliance’s creation was part of a broader effort to serve three purposes: deterring Soviet expansionism, forbidding the revival of nationalist militarism in Europe through a strong North American presence on the continent, and encouraging European political integration.”10 Through NATO, the United States would become a European power: “First, economically, militarily, and to some extent even politically the

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United States had become a European power. It had given billions of dollars to European recovery and through its military shield—especially nuclear deterrence—guaranteed the security of Western Europe.”\(^{11}\) Moreover, this collaboration was the start of a strong relationship between the United States and Europe, leading to alignment and caused by security concerns.

![Map of Europe during the Cold War](image)

The raison d'être of NATO was the deterrence of Soviet expansionism. During the Cold War, the world shifted from an atmosphere characterized by wartime multipolarity to a bipolar, two-bloc system. In a bipolar political system, there are two dominant blocs:


\(^{12}\) “Cold War Europe Military Alliances Map,” World History Commons, accessed November 12, 2023, [https://worldhistorycommons.org/cold-war-europe-military-alliances-map](https://worldhistorycommons.org/cold-war-europe-military-alliances-map).
“With the flexibility of the multipolar system gone and their allies firmly within their respective orbits, the two superpowers can increase their strength in terms of prestige, territory, population, and natural resources."\(^{13}\) By decreasing Soviet expansion, the United States could oppose the Soviet Union and increase its own power. As Western Europe was too frail to fend off the sweeping bellicose adversary to the east, nations within the region began to turn to the United States for support. This security cooperation led to deterrence, which materialized through the threat of American atomic weapons. Additionally, to prepare for peace, NATO prepared for war: “An early estimate in 1950 called for at least 90 land divisions, over 7,000 fighter aircraft, and over 2,000 warships of various sizes.”\(^{14}\) If the Soviet Union were to attack Europe, it would be brutally punished through the loss of human capital, military capital, land, and infrastructure. Not only would Europe be defended through the aegis of the United States, but it would also be in a position to potentially overtake Soviet holdings in the east. This security cooperation is what fundamentally aligned Western Europe with the United States in the form of NATO.

While the United States was the mainstay in this period, it was not the only agent. Western Europe is a paradoxical entity, itself being both a product of the Cold War and an important figure in shaping the outcome of the conflict. Moreover, Western Europe is an amalgamation of nation-states rather than a precise geographical

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location. This coalition contributed to the mutual defense in a plethora of ways. In June, 1948, Joseph Stalin imposed a blockade on Berlin. To counter the siege, American and British forces airlifted supplies until the end of the Berlin Blockade in May, 1949. This event demonstrated the alignment of the United States with its allies through a security concern: “The airlift created a new bond between the Western allies and West Germans.” Another security concern that involved the U.S. and its allies was the Korean War, which featured the United States, the United Kingdom, and the United Nations. It further bolstered cooperation between the U.S. and Western Europe and was the initial military conflict of the Cold War. What started as cooperation due to a security concern in the east had developed into a strategic partnership that was galvanized over the course of several conflicts. The uncertainty due to security concerns is what strengthened Western European and American relations during the Cold War and after the fall of the Soviet Union.

As mentioned, the main priority of NATO was the deterrence of Soviet expansion, but there were also secondary goals. One subordinate objective was forbidding nationalist revival, which had the ability to align countries or regions with the Soviet Union. The Cold War underscored the reality that the United States did not always agree with its allies: “While observers often regard the Cold War as a special period of Western unity, based on common goals and a common enemy, there were a significant number of internal conflicts among the countries of Western Europe and with the United States.” An example of such was the Suez Crisis. The Suez Crisis occurred

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16 Ibid.
17 Ibid.
in 1956 after Egyptian President Gamal Abdel Nasser made public the notion that the Suez Canal Company – a joint British and French enterprise – would be nationalized.\textsuperscript{18} The announcement came after previous tensions between Egypt, Britain, and France, and further exacerbated the strife between the belligerents. The Eisenhower administration attempted to broker a diplomatic solution between the parties, but Britain and France held secret military consultations that involved Israel, which led to the subsequent invasion of Egypt in October 1956.\textsuperscript{19} Publicly, the U.S. condemned the invasion and sought to induce a UN resolution. Privately, however, President Eisenhower threatened draconian actions against the British economy if American interests were not respected.\textsuperscript{20} Britain ultimately obliged, and a conflict was avoided. This is a prime example of U.S. intervention against its European allies, made possible in part due to the American presence in Europe and the necessity of American security cooperation with European states. Although the conflict did not involve the Soviet Union, it could have been portrayed as Western imperialism, thus further destabilizing the region, aligning the Middle East with the Soviet Union, and costing the U.S. if the Suez Canal were to be shut down.\textsuperscript{21} Surprisingly, the Suez Crisis did not hamper U.S. and European relations. It arguably galvanized them and underscored European reliance on the United States:

\textsuperscript{19} Ibid.
“Yet again, the disagreements over Suez did not hamper the larger transatlantic alliance. American military and economic support continued to flow into Western Europe and the European states continued to coordinate closely with Washington. In both stress periods, the transatlantic alliance thus displayed remarkable resilience. This resilience arose from the ability of both sides to emphasize issues that were of prime importance to them and in which there was substantial ground for common agreement. Despite at times competing against each other in the Middle East, the transatlantic partners engaged in extensive cooperation in Europe. Policymakers did not allow disputes over secondary issues to obscure and impede the possibility of coordination on what they believed mattered most.”

This event is an important example of a secondary American goal during the Cold War, a tumultuous moment for the American-Western European partnership, and an accentuation of American power. It is important to note that despite disagreements, security alignment with the United States trumped regional conflicts and certain national agendas.

Economic Alignment

Just as Western Europe and The United States cooperated in many ways due to a common security threat, an economic component aligned the agents. Security was the main component that led to an increase in American and European alignment but it

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was also synthesized with economic cooperation. The International Monetary Fund and World Bank are two entities, both headquartered in the United States, that served the interests of the U.S. by bolstering the alliance with Western Europe. They operated to support the world following WWII by increasing infrastructure, education, and stability in a motley of regions. Both entities, while noble in both principle and practice, were prime paradigms of the politicization of organizations during the Cold War. Their existence, while beneficial to recipient countries, proved to be equally beneficial to the United States through the strengthening of the transatlantic partnership.

The World Bank was established in 1944 and sought to rebuild Europe and Japan following WWII. When it began its operations in 1946, membership was limited to 38 countries. The Bank serves as a monetary entity in which countries can borrow money to fund a variety of development projects. Furthermore, The Bank functions like a cooperative, where countries receive shares based on the size of the economy. The U.S. is currently the largest shareholder and therefore has a significant amount of authority. One specific example of this is seen when observing projects funded, and not funded, following the inception of the World Bank. A main goal of The Bank was to reduce poverty worldwide. Through selective loans, The Bank could finance projects that promoted growth and reduced poverty with countries that would likely pay back the loan. Economic returns were a high priority for the bank, and as such, former President of The Bank George Woods believed investments in education would produce attractive

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24 Ibid.
economic yields.\textsuperscript{25} Despite this, the dynamics of \textit{realpolitik} fueled different sentiments within The Bank.\textsuperscript{26} Specifically, the Cold War politicization of literacy comes to mind. When Robert McNamara was appointed as the president of the World Bank, thoughts regarding mass literacy changed drastically:

“With Robert McNamara’s appointment as World Bank president in 1968, however, the bank began to question whether the promotion of mass literacy was the most effective approach to challenging communism's ever-growing appeal in the developing world. Employing a new paradigm known as “redistribution with growth,” McNamara led the bank into an era during which it invested heavily in “occupational education” (a form of training designed to increase worker productivity) rather than basic literacy instruction.”\textsuperscript{27}

Although The Bank prioritized assisting developing countries, many objectives worked in tandem with policies favorable towards the United States. Increasing worker productivity, while perhaps not as noble as the promotion of mass literacy, still remained a strong undertaking. It would ideally increase the economic outflow of a country, bolstering the domestic workforce. It would furthermore decrease the communist influence that western powers staunchly opposed. The antithesis of such a communist influence was seen through free market participation: “Because of its emphasis on promoting a capitalist path to economic development, the bank under Presidents George Woods and Robert McNamara agreed to extend loans to educational

\textsuperscript{26} Ibid.
\textsuperscript{27} Ibid.
endeavors as long as these endeavors could be shown to support the promotion of free markets.”

Similar to The World Bank, the International Monetary Fund was founded as the end of WWII loomed. During the Bretton Woods conference in New Hampshire, the IMF was created among several other recommendations for international cooperation, with the Americans and British being the driving forces behind the conference. The goals of the IMF are multifaceted. The key goal is to encourage global growth and economic stability in a way that mitigates adverse effects. Policy advice is an additional aspect of the organization as well as a response to money laundering and terrorism.

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28 Ibid.
30 Ibid.
The specific way goals are achieved is through lending, which the IMF does with funds provided by member states. The funding is provided based on the quota of each member, with the U.S. providing the highest figure as of 2016 at $118 billion. Although the U.S. quota has significantly declined since the Cold War, it still has considerable influence over the organization. While the IMF may have come off as a seemingly benevolent organization, it had the ability to be an important force in the context of the Cold War. As an international lending organization, the IMF held significant sway over what nations could receive funding and what nations would be unable to receive funding. These projects could be analyzed based on a litany of factors, with varying degrees of prominence. As a leading contributor to the IMF, the United States held influence over the organization, and as such, could sway internal operations. Due to this, the IMF was an instrument of economic power during the Cold War that not only supported U.S. objectives, but also worked to weaken the spread of communism. By analyzing certain projects that were approved by the IMF, one can note the ways in which the organization is a form of economic cooperation between the U.S. and Western Europe.

Due to a lack of data, it is difficult to analyze the extent to which projects were influenced by the United States and Western allies immediately following WWII. Despite this, it is possible to view IMF funding conditionality from 1970-2001

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Countries allied with the United States and adjacent to Soviet states appear to have had a lower average number of conditions compared with the Soviet Union and its allies. Based on this image and on statistical analysis, the IMF was used as a weapon against the Soviet Union:

“The IMF imposed fewer conditions when lending to countries that were close to the communist bloc during the Cold War. That was especially the case in Africa and Asia, where the conflict was more volatile, away from Europe’s already established Iron Curtain. This result suggests that the West – the United States and its allies - used the Fund as a tool to combat communism, strengthening the governments that were more exposed to its global spread both financially and politically. The conclusion that the IMF was one of the West’s tools in the Cold War is in line with the literature, according to which the US government imposes an agenda on the IMF to achieve its foreign policy interests.”

33 Ibid.
34 Ibid.
Directly, the organization funded U.S.-approved initiatives and strengthened the agenda of the West. Indirectly, this paper argues that through the utilization of the IMF as a political tool, the U.S. further reinforced its already amplified partnership with other Western nation-states. By approving démarches in states deemed "non-communist", the recipient countries may have become indebted to the United States. While not necessarily financially burdened by debt-servicing, these states could feel pressure to impose policy in line with the western status-quo, which sought to ensure the containment of communism. The extent to which this process benefitted the alliance remains ambiguous as it is unquantifiable, but was likely less impactful when compared to the security cooperation seen in the early years of the Cold War.

Embargos were one final economic component of the Cold War that highlighted U.S. and Western European cooperation during. During the Cold War, approximately 3% of the Soviet Union’s GDP came from exports. This is in stark contrast to contemporary times, where roughly 25% of GDP makes up exports in a more open economy. While a closed economy made the Soviet Union less susceptible to sanctions due to less reliance on other nations, the United States and its allies still attempted a multitude of sanctions to cripple the country. Starting with the Export Control Act of 1949 and progressing towards the Battle Act of 1951, sanctions waxed and waned in the years following WWII. These sanctions followed a U.S. imperative but often accounted for the concerns of Western European allies. Specifically, the Battle

Act led to a refusal of assistance to any nation not embargoeing strategic goods to the Soviet Union and various nations under its influence.\textsuperscript{37} In accordance with concerns from various allies, the U.S. created many exemptions to this act. Although the act proved to be a failure, it is indicative of the cooperation with the U.S. and its allies, which often trumped other security and economic prerogatives. It should be noted that the main cause of conflict with Europe and the United States with respect to embargos was oil. This was evident with the Battle Act in 1951 and once again towards the end of the Cold War:

\begin{quote}
“In 1983, Ronald Reagan approved the National Security Decision Directive 75, which set the policy of using economic pressure to limit the foreign policy and military options of the Soviets. This stricter regime of sanctions led to considerable conflict with America's allies on the Coordinating Committee for Multilateral Export Controls (COCOM), especially over the export of oil and gas equipment.”\textsuperscript{38}
\end{quote}

While embargos were created with a specific goal in mind, they did cause conflict at times. Despite the disagreements in policy, embargos overall strengthened the relationship with the U.S. and Western Europe as they required strategic cooperation and an agreement on how the embargo should be conducted. In the case of 1951 and 1983 when there was disagreement, the conflicts proved to be ephemeral and were based on policy disagreements rather than ideological disagreements on how to handle the fight against communism.

\textsuperscript{37} Ibid.
\textsuperscript{38} Ibid.
Although a main component of the strong relationship between Western Europe and the United States was the prolific security concern in the form of the U.S.S.R., economic cooperation was paramount in improving U.S. relations with Europe and other regions of the world. The economic cooperation not only supported the strategic initiative of containing and ultimately defeating communism but also improved the global economy and the lives of many. The multifaceted effect of economic cooperation serves as an important reminder that the relationship between Western Europe and the U.S. ultimately proved beneficial to many and required multiple components of collaboration in a wide array of fields.
III. Post-Cold War Dynamics

Unipolar System and Formation of the EU

On December 25th, 1991, the hammer and sickle flag would descend from the Kremlin for the last time. This scene was indicative of the fall of the Soviet Union and the end of the Cold War. A conflict that affected millions, featuring skirmishes of both trade and armed conflict, would end in favor of the United States. It was the end of the Iron Curtain, the repression of millions, and an ideology that truly competed with the democratic society. With the end of strong ideological competition also came the end of a bipolar system. The U.S. was the sole superpower. As the bipolar system fell, a new system would have to replace it, and this led to much speculation and debate. Some such as John Mearsheimer thought a multipolar system would rally as it had in the 1930s, others such as Francis Fukuyama predicted the expansion of liberal democracies, and some like Samuel Huntington, who imagined a “clash of civilizations”, diverged from both ideas.39 While each individual made strong points, the prevailing concept came from a Pulitzer Prize-winning political pundit, Charles Krauthammer. Krauthammer developed a theory that he called the unipolar moment, in which the United States emerged as the lone great power following the Cold War.40 From the ashes of the old order, balanced by the two titans, came a unipolar world order, dominated by the democracy-seeking United States. Krauthammer’s theory would come

40 Ibid.
to have huge impacts across the globe, namely in the perception of the U.S. as well as its foreign policy:

“Whether the new U.S. administration can pursue its policy of multilateralism depends significantly on the general-public and European leadership perceptions of the United States. The ability of the administration to pursue policies of enlargement and multilateralism will depend in part on how the U.S. administration can shape European views.”41

With no competitor forcing Europe to align with the U.S., the U.S. would have to be perceived as useful to Europe to remain in control. This section of the paper will seek to analyze how the security and economic relationship between the United States and Europe changed following the end of the Cold War, and whether collaboration increased or diminished. It will analyze economic and military changes during the time period as well as the respective effect on both the U.S. and Europe.

In a unipolar system, there is one lone superpower. As such, that lone superpower has no competing foe and is dominant economically and militarily. Already aligned with the United States, Europe no longer faced a security threat after the fall of the Soviet Union. As mentioned previously, security cooperation was the main bulwark of U.S. and Western European relations. It is what shifted the blocs together and allowed collaboration, even in the wake of conflict, as seen with the Suez Crisis. Although economic activity played a role in increasing cooperation, security was paramount: “In Western Europe, economic recovery, the American security presence in Europe, and the Atlantic Alliance became the elements around which formed a strong intimate

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41 Marten van Heuven, essay, in The US Role in Post-Cold War Europe: Significance of European Views of the New U.S. Administration (Santa Monica, CA: RAND, 1994).
relationship. In this relationship, the element of security dominated all others." Security is what would eventually uplift the European Union and strengthen a unified European agenda, sometimes separate from that of the United States.

With a diminished element of security, Europe was free to pursue its own goals after the Cold War. It did so in a variety of ways. The first split from the U.S. came in the form of the Maastricht Treaty:

"Throughout the Continent there is a strong desire that with the Damoclean sword of Soviet communism removed, Europeans should and can reassert control over their own affairs. In Western Europe, this ambition has found expression in the Maastricht Treaty, whereby the countries of the European Community spelled out their hopes not only for a free-trade area, a common European currency, and a central bank, but also a common foreign and security policy." The Maastricht treaty was the catalyst for modern-day European cooperation. Officially known as the Treaty on European Union, it laid the groundwork for what would be the emergence of European integration. It was signed on February 2nd, 1992, and officially came into force on November 1st, 1993. Moreover, it included greater European cooperation in the form of European citizenship, common foreign and security policy, as well as justice and home affairs. Individuals who were now deemed European citizens could reside in and move between each Member State. This was something that might have been astounding to some only a few years earlier. With the formation of the Union,

42 Ibid.
43 Ibid.
common foreign and security policy could be enacted in line with what was best for the Member States. Finally, security was strengthened as home affairs and justice were prioritized by the Union. Each of these factors created a strong entity that utilized collective bargaining and a unified security goal to compete with the U.S. on an international scale. The formation of the EU is not an argument for the proliferation of a U.S. adversary, but rather a partner that now had strategic initiatives in its own interest that it could back up. With 12 initial Member States, the EU was a formidable alliance. It encompassed most of Western Europe and a united Germany. Another component of the Maastricht Treaty that may have disassociated Europe with the U.S. was a new single currency: the euro. The European Central Bank (ECB) was established, as well as the introduction of free movement of capital and increased cooperation between the national central banks of the Member States.\(^45\) Through the establishment of the euro, Member States no longer had to be reliant on the U.S. dollar. The dollar was still the dominant currency, but the euro limited its use and gave power to the European countries. Just as the Maastricht Treaty created the euro, it also established the framework for what a country needed to do to join the euro area.\(^46\) What may seem like a peripheral component of the Treaty in reality had the ability to lend Member States enormous power. By establishing convergence criteria that focused on inflation, public debt, interest rates, and exchange rate, the EU could indirectly influence the monetary policy of a non-member state.\(^47\) This soft power could be in direct contention to the

\(^{45}\) Ibid.
\(^{46}\) Ibid.
wishes of the United States. The amalgamation of each of these points with respect to security and economics is what led to the augmentation of a partnership and rivalry between the U.S. and Europe following the Cold War. While the powers were allies and aligned on many issues, the emergence of a united Europe would substantially change the power dynamics emanating from the United States. With no large security threat, Europe could now bolster itself through monetary policy and diplomacy.

Post-Cold War Security Cooperation

The end of the Cold War signaled a shift in global politics and a common security concern. As the Soviet Union fell, so did the need for massive armament along the Iron Curtain and reliance on the U.S. military capacity. Despite this, the main impetus for continued cooperation following the Cold War remained a military alliance in the form of NATO. Just because the Soviet Union collapsed did not mean the alliance between the U.S. and Europe needed to end. As stated by former British Prime Minister Margaret Thatcher during a 1990 speech to the North Atlantic Council at Turnberry: “You do not cancel your home insurance policy just because there have been fewer burglaries in your street in the last twelve months. To anyone who asks: ‘Has NATO a future?’ we reply with a resounding ‘Yes’.”48 To further enhance the already strong relationship, NATO underwent a series of changes in the 1990s. These changes allowed the strong partnership with Europe and the U.S. to endure because they focused on areas that

were not emphasized during the Cold War. Many of the new initiatives were centered around embracing Eastern Europe:

“After the Soviet demise, the Alliance embarked on ambitious projects and seemingly new directions – adopting a radically altered strategic concept that emphasized dialogue, cooperation, and crisis management over collective defense in 1991, embracing the East through its Partnership for Peace (PfP) initiative in 1994, moving to end the war in Bosnia in 1995, solidifying its European pillar in 1996, and enlarging its membership in 1997.”

These ambitious projects augmented over time but proliferated with the beginning of Partnership for Peace in 1990.

The first pillar to increase American-European relations came through the Partnership for Peace (PfP) initiative. Initiated in July 1990, PfP sought to promote cooperation between NATO and the countries of Central and Eastern Europe and is still in existence today. Specifically, nations have been supported through policy, programs, action plans, and arrangements: “The Partnership for Peace (PfP) is a programme of practical bilateral cooperation between individual Euro-Atlantic partner countries and NATO. It allows partners to build up an individual relationship with NATO, choosing their own priorities for cooperation.”

The open hand towards the satellite states of a former NATO adversary reflected the strong American desire to welcome all of Europe into a partnership. The programs that were enacted underscore the fact that even after the Cold War had ended, an American-European partnership was still sought out by the

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United States. While there was no common foe at the time that possessed the strength of the Soviet Union, the U.S. continued to align itself with the remainder of Europe through security cooperation and overall assistance.

As members were integrated into PfP, many would ultimately apply for and become members of NATO. This led to a de facto shift of the frontier separating the east and west of Europe. As nations partook in PfP and eventually joined NATO, their ideological identities reflected policy and thought that was in line with the west.

While PfP was in no way a security dilemma that shook the political order in Europe, it still aligned the U.S. with Europe and increased cooperation. In tandem with development in Eastern Europe, conflict eventually stirred. Just as strife had in the past supported the notion that Europe and the U.S. were aligned, it continued to do so following the Cold War. One such example of this is the Bosnian War, which occurred

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from 1992-1995. Before the Bosnian War, the Maastricht Treaty was signed, indicating the eventual beginning of the European Union. The formation of the EU was a way for Europe to regain the power it had lost during the 20th century. Through a united organization, Europe could reap the benefits of collective bargaining, wide-ranging policy, and defensive cooperation. In order for the EU to work in an effective manner, cooperation had to play a key role and goals had to remain clear. While in theory, the EU had a clear set agenda with assistance and leadership provided by Member States, this agenda was not reflected in practicality. One foil to effectiveness of the EU was the Bosnian War: “The subsequent crisis in the Balkans has exposed the inability of the EU to cope. It has also invalidated the notion that, while NATO would guard NATO territory, the WEU would be able to tackle out-of-area issues.” Building upon this point, “The only policy Europeans could adopt was to follow the U.S. lead.” Europe had the chance to reassert itself over nations on its eastern fringes. The cardinal issues with the EU exposed Europe as a weak entity, and therefore reinforced the notion that the U.S. was needed for security stabilization. This reliance on the U.S., induced by a conflict in former Yugoslavia, is an example of a post-Cold War alignment between the U.S. and Europe. In this case, separately from during the Cold War, the support by the U.S. was not initially welcome. Europe sought to solve its own problems on its own land but was unable to do so. This inability paved the way for more U.S. assistance, and subsequently more alignment with “western dogma”, as set forth by the U.S. political leadership.

52 Marten van Heuven, essay, in The US Role in Post-Cold War Europe: Significance of European Views of the New U.S. Administration (Santa Monica, CA: RAND, 1994).
53 Ibid.
Economic Stimulation

Just as an economic partnership served to supplement the security cooperation seen during the Cold War, it also did so following the Cold War. While the economic partnership was a tangential factor when compared to security cooperation, it was nonetheless of paramount importance as Europe reunited and the east blossomed. In the years following the end of the Cold War, trade between the U.S. and EU surged:

“The US and the EU are two of the largest trading partners of the world. In fact, US exports and investment in Europe increased immediately after the danger of "fortress Europe" was perceived. In 1990, the US exported goods worth $76 billion to the EU, while by 1999, this figure increased to $400 billion. It is estimated that if investments of these countries are added, then the economic relationship between the US and Europe would stand at almost $2 trillion a year.”

With no dominating influence over Eastern Europe, the U.S. could fulfill its goal of expanding democracy and strengthening that specific region. “Democracy for long has been a cherished dream and an important component of American foreign policy. Europe is a time-tested partner for this task. With Europe, the US is already undertaking the work of democracy such as building democratic institutions and promoting democratic values in Eastern European countries.”

The building of democratic institutions is one reason trade surged so much between the years 1990 to 1999. Countries in the east that formerly depended on the Soviet Union

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55 Ibid.
were now able to pursue policies that endorsed capitalistic ideas where market forces would determine prices. The initial jump in trade between the U.S. and EU following the end of the Cold War was likely followed by exponential growth in the east after many decades of fiscal mismanagement, corruption, and disregard. Just as trade had bolstered the cooperation between the U.S. and Western Europe in the Cold War, it would also do so with Eastern Europe in the 1990s and onward. Flooded with American-made goods, those countries would eventually align with the United States due to the dependence on goods.

In spite of the fact that economic cooperation between the U.S. and Europe amplified an already robust relationship, it was not as propitious as security cooperation. The U.S. and Europe historically agreed on many security propositions during the Cold War. Where the two disagreed, the U.S. typically had its way. This was the case with the Suez Crisis, where the U.S. used leverage over the U.K. to impose its will. Comparably, without the use of as much pressure, the U.S. dictated many of the security decisions regarding Europe following the Cold War. These decisions were intended to be made by Europeans initially, but American involvement often became necessary, as was seen in the Bosnian War and Yugoslav Wars, respectively.

Economically, however, Europe and the U.S. disagreed more frequently. When disagreements occurred, Europe was better suited to defend its position, and the U.S. less frequently achieved what it wanted. This is particularly evident with respect to central banks. Central banks are often autonomous entities that enact monetary policy, sometimes without respect to government-enacted fiscal policy. Central banks in advanced economies typically have more autonomy than their counterparts in emerging
markets.\textsuperscript{56} While central banks are created by the government, their operations do not always fall in line with the government. In 1991, Germany’s central bank increased interest rates, jeopardizing the notion that Germany was committed to international cooperation and that Western Europe sought the goal of economic integration and monetary union.\textsuperscript{57} This move angered many Americans as the dollar fell against the mark. As German interest rates rose, the mark became more attractive to international investors, thus hampering the value of the dollar.\textsuperscript{58} Despite American influence in the region, the Bundesbank still acted in accordance with German policy, angering American officials and indirectly harming the U.S. economy. The U.S. had to respond in an appropriate manner, in this case with a cut in the discount rate. Since the move was economic, coaxing the Germans was more difficult than if the move violated American security concerns. The U.S. altered its own monetary policy rather than attempting to force the Germans to alter their own.

For the U.S. to get its way economically, sanctions have often been the most suitable tool:

“Europeans resent the unilateral American moves to redress its grievances. The most prominent is the imposition of sanctions. The US imposed sanctions on imports from European countries worth $400 million for not complying with WTO rules for the banana import and hormone-treated beef controversies. When the WTO gave its rulings against foreign sales corporations, the European countries


\textsuperscript{58} Ibid.
were up in arms. Americans state that the US had to retaliate because the EU put trade barriers before American beef made with growth hormone and to bananas grown on American plantations in the Caribbean and South America.\(^{59}\)

Following the Cold War, sanctions were a popular tool used by senders to change the course of action of varying targets, with the U.S. being the most active sender of sanctions compared to the U.N. and EU.\(^{60}\) These sanctions generally increased throughout the 1990s, eventually peaking in the early 2000s.

Small squabbles resulted in sanctions being imposed by both parties. As one sender imposed a sanction on an entity, the entity would often respond with sanctions of its


\(^{61}\) Ibid.
own. In this type of system, sanctions are always a possible result of disagreement and can have vast effects. In the case of the U.S. and EU, sanctions are indicative of a rivalry between the two entities. While both are allies and collaborate closely, economies often expose differences. As a result, economic cooperation as a whole is less beneficial to the American-European partnership when juxtaposed with security collaboration.

Throughout much of the 1990s, the United States and Europe collaborated closely economically. Whether it be through an increase in infrastructure development in Eastern Europe or a surge in overall trade, the economic partnership contributed to the overall partnership between the United States and Europe. As time progressed, trade between the two only grew, leading to an increase in reliance on various goods. In the mid-1990s, the two-way trade between the U.S. and Europe supported over 6 million jobs between both parties. Each body politic relied on the other, not only for goods but for the employment of citizens. Trade was so deeply intertwined between the two that economic stimulus in the form of employment partially depended on the pecuniary symbiosis. Despite the competition at times which may have decreased overall economic activity, the relationship between the United States and Europe can be thought of as a partnership and rivalry. While fundamentally different, the two have both been impacted by globalization, becoming more aligned as time has progressed. In times of fear and panic, the two have been seen supporting each other on a plethora of different spectrums. This trend remained steadfast in the 20th century and would continue on toward the early years of the 21st century. It would begin in the 21st century

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with a significant security event that shook the world, 9/11. Through support and unity, the U.S. would overcome a national tragedy and continue to receive support from allies across the world.
IV. A Consequential Security Event

September 11 Attacks

One large catalyst for an increase in collaboration, both economically and in terms of security, is the occurrence of a significant security event. Following WWII, this security event came in the form of the Cold War between the United States and Soviet Union. It led to a profusion of economic exchanges between the U.S. and Western Europe as well as a substantial increase in military cooperation. Following the Cold War, there was no major conflict that engulfed the world. Notwithstanding, security concerns, albeit smaller than the Cold War, helped further galvanize the already propitious relationship between the U.S. and Europe. In this case, the development of Eastern Europe and the Bosnian War helped fuel more collaboration on multiple fronts. Security was the dominating factor in both instances, and this remained the case following the 1990s.

On September 11, 2001, the United States was attacked by the Islamic extremist group al-Qaeda. This attack proved to be the deadliest attack on American soil, resulting in enormous death and destruction, with the loss of around 2,750 people.\textsuperscript{63} The results of the attack would change the political landscape in the United States going forward, with a strong focus on counterterrorism being born. The attacks signaled the unity among American citizens as the country mourned and jumped into action following the attack. Just as Americans united on the home front, allies of the United States vowed to take up arms and support the U.S. as needed. The support would come in the

form of military intervention against the hostile belligerents involved, and it would be one of many scenarios in which security events have aligned the United States and Europe.

While this paper supports the notion that collaboration between Europe and the United States increased following the end of the Cold War, some pundits believe that the transatlantic relationship faltered over time. Despite the contention in thought, the solidarity manifested by U.S. allies in Europe is thought by some to have increased after the 9/11 terrorist attacks: “The swift and heartfelt solidarity with the United States demonstrated by the European allies after the terrorist attacks on New York and the Pentagon on September 11 came as a valuable restorative to a faltering transatlantic relationship.”64 Any erosion that may have been evident as the two blocs diverged with respect to objectives was quickly repaired. The United Kingdom had announced that it would support the U.S. prior to a declaration of support from mainland Europe. Britain and NATO would come to be two of the closest supporters of the United States: “Before any of the European countries (with the exception of Britain) had responded to the September 11 attacks, the NATO alliance took an unprecedented lead.”65 This support came through the invocation of Article V of NATO, which states the following:

“The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by Article 51 of the Charter of the United Nations, will assist the Party or Parties so

65 Ibid.
attacked by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.\textsuperscript{66}

As such, initial support measures were drawn including the sharing of intelligence on terrorism, increased security on NATO territory, and the deployment of NATO forces to the Eastern Mediterranean.\textsuperscript{67} These measures increased collaboration between multiple nations and paved the way for future cooperation, especially with respect to counterterrorism.

The concept of security cooperation is a wide term that encompasses many components of a broad partnership. In the case of NATO, the support from U.S. allies came in the tangible form of manpower and equipment, but also with the concept of intelligence sharing. While the coordination of troop movement is important and impactful with respect to military objectives, intelligence sharing is a prime action that is effective in combining the foreign intelligence agencies of multiple nations. As nations share intelligence and learn of certain procedures used in the systems of different agencies, integration is able to occur, and a precedent is set. Precedent is what forms future provisions in any subject matter – particularly with respect to security. The intelligence sharing witnessed after the 9/11 attacks would produce fruitful results for nations in the future as potential attacks were stopped in advance. It is often difficult to cite the effects of such collusion, as there is no way to numerically calculate the

potential losses that might have occurred had intelligence sharing not been in place. However, it is still noteworthy that intelligence sharing has been beneficial and is one of many examples of cooperation between the United States and Europe with respect to security. This form of cooperation set a specific precedent and further aligned the two bodies.

The 9/11 attacks had tremendous effects on the U.S. economy in the months following. Already facing headwinds from a minor recession due to the dot-com bubble and other factors, the U.S. was in a weak position to begin with: “Unlike many other disasters, the 9/11 attack had significant negative macroeconomic impacts in the very short run, and it may well have had significant negative consequences in 2002 in the absence of mitigating actions taken by the private and public sectors.”68 Actions taken following the attacks suggest that the economic recovery was successful, and this is highlighted when retrospectively observing the world trade developments in 2002: “In 2002, world trade recovered from its steep decline in 2001. From the first through the third quarter, world trade expanded strongly but stalled in the fourth quarter of 2002.”69 Across the globe, GDP increased in Q1 2002 from Q4 2001. For both the U.S. and Europe, imports and exports of goods and services increased following the first quarter of 2002. This suggests that despite the shock to the U.S. economy from the 9/11 attacks, trade continued to increase, and GDP generally remained steadfast.

Viewing the U.S. and EU as significant trading partners, 9/11 failed to supplant the strong economic ties and development seen between the two bodies. This supports the notion that while such an exogenous shock was in no way good for either economy, it did not diminish an already strong coalition, and may have helped increase overall imports and exports following the attacks.

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Ibid.
V. Modern-Day Analysis

Russo-Ukraine War

On February 24th, 2022, Russian military forces invaded Ukraine from Russia, Belarus, and Crimea, sparking the beginning of the Russo-Ukrainian War.71 Prior to the start of the war, there had been eight years of conflict between the Ukrainian government and Russian-backed separatists, in addition to the Russian annexation of Crimea in 2014.72 Many believed the war would be over quickly, and that Russian forces would quickly gain control over several important Ukrainian oblasts, but Ukrainian forces prevailed and were able to mitigate territorial losses. Much of the bulwark serving as an aegis to Ukrainian territorial integrity has come in the form of American and European support. Since the start of the attack, the United States and Europe have supported Ukraine on a variety of fronts. Support for the cause has come in the form of military assistance, funding, sanctions, and trade. While these components have been paramount towards the well-being of Ukraine, they have also done much to weaken Russia, an authoritarian state, and increase collaboration between the United States and Europe. In line with many events in the past, the Russo-Ukrainian War is one of many security concerns that have consolidated the United States with Europe. Primarily centered around security, this further alignment has also been enhanced by economic cooperation. In tandem with an increase in trade on a year-to-year basis since the early 2000s, the Russian-Ukrainian conflict has featured sanctions against Russia that have further underscored the resurgence in cooperation. As has been the case since the end

72 Ibid.
of WWII, security concerns are the primary instigator with respect to the U.S.-European partnership, with economic cooperation serving as a supplement that has additionally increased alignment.

Since the start of the war, the United States has pledged significant levels of capital in the form of support towards Ukraine: “Since the war began, the Biden

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administration and the U.S. Congress have directed more than $75 billion in assistance to Ukraine, which includes humanitarian, financial, and military support.”74 Members of NATO and the EU have also followed the lead of the U.S., additionally pledging support to Ukraine. The support has been primarily composed of military spending, with a smaller amount dedicated towards financial and humanitarian support.

While the security cooperation reflects an alignment with respect to policymaking, it is also indicative of an ideological parallel between the U.S. and Europe, as well as the ideological schism between the greater West and Russia. Though security cooperation potentially waxed and waned following the end of the Cold War, certain trigger events centered around security are what have reasserted the idea that the U.S. and Europe are aligned. The main takeaway when focusing on the Russo-Ukrainian War is that even if the U.S. and Europe have diverged with respect to policy, security is what has united the two. Since the end of WWII, there have been several security concerns in which the U.S. and Europe have improved alignment. The Russo-Ukrainian War is another example of such and indicates that the relationship between the two will prevail in the near future. It is difficult to speculate how the relationship between the two may change in the future, but history has supported the notion that security aligns the U.S. and Europe and will continue to do so going forward. The conflict has been supported by both blocs, indicating that the partnership is mutual. While the U.S. may lead in funding and total contributions, Europe is acting in its own interests and is not blindly following the United States. The fact that there is autonomy suggests a greater partnership, as an autonomous nation is likely to act in its own interests. A nation that is

74 Ibid.
coerced will act in accordance with whichever entity has power over it. Due to this autonomy, the argument can be made that the U.S.-European partnership is stronger than it has ever been. With a relatively stronger agent in Europe in the form of the EU, and an arguably weaker U.S., Europe is more likely to act in a way that accommodates its own agenda and ideology. In this case, the ideology lines up with the U.S. as well as the agenda, reflecting an increase in cooperation and an overall partnership between the two blocs.

Just as the Russo-Ukrainian War has highlighted an increase between the U.S. and Europe, triggered by security, economic forces have also been at play. As the U.S. and EU have enacted sanctions against Russia, they have had to cooperate with each other to account for a decrease in resources available from Russia. Sanctions against Russia may not be in the best interest of Europe economically, but they have still been enacted, indicating the acceptance of American strategic policy against Russia. Specifically, the EU has banned exports from Russia in the form of certain products including technology, oil refining equipment, transportation equipment, and certain goods such as crude oil and steel. These sanctions have had dramatic effects on the European economy and way of life. Prior to the war, Russia was a large provider of oil for Europe:

“In March 2023, the total imports of crude oil and petroleum products from Russia into the EU decreased to 1.4 million tonnes (Mt) compared with the average monthly figure of 15.2 Mt in the three years from 2019 to 2022 (-90%).”  

With a 90% decrease in crude oil and petroleum imports from Russia, Europe had to find a new source of oil. This has led to a surge in trade between the U.S. and EU, with American exports increasing substantially:

“Trade between the U.S. and Europe is growing, driven largely by higher exports of American fuels to help the eurozone weather the energy crisis sparked by Russia's invasion of Ukraine. The total value of exports from the U.S. to EU countries rose 28.6% to $403.20 billion in 2022.”

This increase in trade between the U.S. and EU highlights two key points. First, the relationship between the two is growing and will likely continue to do so. Second, the U.S. is committed to supporting its allies overseas, particularly in a time of uncertainty. Prompted by a massive security concern, economic factors are a key supplemental driver with respect to alignment between the U.S. and EU. The two will likely continue to trade as the war with Russia progresses and a new supplier of key goods is required.

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VI. Conclusion

The relationship between the United States and Europe has constantly augmented since the initial years of the United States. This relationship saw a significant spike during and immediately after WWII, as the U.S. and Western Europe cooperated economically and in terms of security. As the Cold War progressed, the security concern in the form of Russia prompted an increase in American military presence in Europe and an overall increase in collaboration. As the U.S. worked to assist in the rebuilding of Europe, Europeans bought many American products and improved the economic partnership that would flourish in the coming decades.

As the Cold War came to an end, so did a massive security concern. Furthermore, the EU was created shortly after the fall of the Soviet Union. Rather than decreasing overall cooperation between the U.S. and Europe, the end of the Cold War paved the way for a new and improved relationship between the two. With a lack of Russian influence, the U.S. was able to expand its influence into Eastern Europe, bolstering its military presence and slowly aligning the two economies. This development, in addition to a weak EU, further strengthened the U.S.-European relationship. Just as security concerns had fueled the cooperation during the Cold War, it did so after the Cold War. Through the Bosnian War and Yugoslav Wars, the U.S. remained present in Europe as assistance was needed to help contain the conflict and stabilize the region.

Throughout the Cold War and following the Cold War, U.S. and European cooperation has gradually increased. The main factor driving cooperation has always been a security concern. One security concern that drove such cooperation were the
9/11 attacks. The 9/11 attacks underscored European support of the United States. Through intelligence sharing and military support, alignment was increased and a strong alliance was demonstrated. Furthermore, the 9/11 attacks failed to hamper the already strong economic partnership between the U.S. and Europe. Despite a slight setback and headwinds to the U.S. economy, trade between the two continued to surge following the attacks. While the main driver of overall cooperation was the security event, economic alignment was not substantially impacted and highlights the strength of the relationship.

The Russo-Ukrainian War has highlighted the contemporary partnership between the U.S. and EU. This security event has featured the European commitment to both democracy and American foreign policy. As the EU has sanctioned Russia and provided aid to Ukraine, it has demonstrated its collaboration with U.S. policies. Both blocs have been staunch in their commitment to Ukrainian sovereignty. In terms of security alignment, the U.S. and EU have both provided significant aid, reflecting the parallels with respect to foreign policy. In regard to economic alignment, both have sanctioned Russia. The fact that the European sanctions have been negative to the European economy and way of life indicates the high degree of support and commitment. In response to such commitment, the U.S. has filled the void by providing a significant level of goods and products to the EU. All in all, this security event has demonstrated the ever-increasing partnership between the U.S. and the EU. While security has been the driving factor, economic factors have acted as a supplement and trade has increased throughout the 2000s.
The U.S. and Europe are two ever-changing blocs that have increased their reliance on each other throughout history. Economic activity and security cooperation have been the prime factors driving alignment. History has shown that in the face of adversity, the U.S. and Europe can be counted on to support each other and grow after turmoil. This trend will continue as the 21st century progresses and will feature a further surge in trade, an increase in military alignment, and overall reliance.
VII. Bibliography


