Transatlantic Sovereignty Games: What Makes the US and the EU 'Hang Together'?

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Transatlantic relations constitute a 'world of our making'— but what makes this world 'hang together'? [1] Drawing from an analytical framework based on 'sovereignty games', this essay explores the roles of money in constructing and reconstructing transatlantic relations between the United States and the European Union. More specifically, this essay will demonstrate how money — viewed through the lens of horizontal and vertical sovereignty games — helps to explain why transatlantic relations 'hang together' in spite of pressures to 'drift apart'. This essay begins by exploring the relationships between sovereignty and money as powerful social constructions. The essay then introduces the sovereignty games framework of analysis. Building on these foundations, it becomes possible to evaluate the roles of money in transatlantic relations through attention to overlapping horizontal and vertical sovereignty games. In what follows, this essay considers these broader tensions within the context of the global financial crisis and the ensuing euro crisis — reaffirming that money is a contentious, albeit integrative social force in contemporary transatlantic relations.

Understanding Sovereignty as a Social Construction

Sovereignty is widely studied across the discipline of International Relations. [2] The essence of sovereignty and the state-based system are most commonly drawn from conceptualizations of the 'Westphalian model' (Keohane: 2002: 743). As Krasner observes: "The Westphalian sovereign state model — based on the principles of autonomy, territory, mutual recognition, and control — offers a simple, arresting, and elegant image" (Krasner: 2001b: 17). The sovereign state is designated as the principal actor in international relations, possessing exclusive rights to exercise the functions of the state over a defined territory without intervention from any higher authority (Adler-Nissen and Gad: 2013: 4). During the late-twentieth and early-twenty first century, however, there has been increasing attention directed towards the implications of 'globalization' on state sovereignty. Some have suggested that Westphalian principles of sovereignty are being 'eroded' by globalization and increasing interdependence among states, while others point to the diffusion of non-state actors and institutions challenging the state and the state-based system (Krasner: 1999: 3).

Observers such as Krasner remain skeptical of debates surrounding globalization as well as idealized visions of state sovereignty, which together insinuate that there was some 'golden age' for sovereignty that is now in jeopardy (Krasner: 2001b: 17). As Krasner puts it: "The sovereign state model has always been a cognitive script; its basic rules are widely understood but also frequently violated" (Krasner: 2001b: 17). Beyond military intervention, states infringe upon sovereignty by entering into international cooperative agreements, joining international institutions, or subscribing to norms inconsistent with Westphalian principles (Krasner: 2001b: 19). As a consequence, it may be argued that states violate sovereignty by 'intervention' and by 'invitation' (Krasner: 1999: 151). On this basis, Krasner suggests "the sovereign state model is better understood as an example of organized hypocrisy" (Krasner: 2001b: 42). And yet, in the face of external challenges and internal contradictions, sovereignty endures as the 'cornerstone' of contemporary global order (Krasner: 2001a: 30).

Building on these debates, this essay approaches sovereignty as a powerful social construction. Sovereignty may be understood as an 'essentially contested' concept— constructed and reconstructed through discourse and practice

(Sarooshi: 2004: 654). "Rather than assuming that the concept of sovereignty has any timeless or universal meaning," this approach contributes towards "a recent wave of scholarship [that] has focused on its changing meaning and function across a variety of historical and political contexts" (Adler-Nissen and Gammeltoft-Hansen: 2008: 38-39). This perspective allows for more fluid conceptualizations of sovereignty, appreciating the ways in which sovereignty is actively shaping and is being shaped by ongoing changes in the contemporary world (Adler-Nissen and Gammeltoft-Hansen: 2008: 208). From this position, sovereignty appears "more mendable than most International Relations scholars would want us to believe" (Adler-Nissen and Gad: 2013: 235).

Money And/As Sovereignty

Money — like sovereignty — is a powerful social construction (Dodd: 2014: 6). There is no universally accepted definition of money (Zimmerman: 2014: 12). Some have sought to define money as a 'measure of value' or as a 'medium of exchange' (Dodd: 2014: 51). This essay follows the example of Dodd, conceptualizing money as "a process— not a thing— whose value derives from the dynamic, ever-changing, and often contested social relations that sustain its circulation" (Dodd: 2014: ix). As a process, money is intertwined with language, communication, and identity building — contributing towards the construction and reconstruction of relations between actors (Dodd: 2014: 35). For these reasons, this essay offers less attention to defining what money 'is' in exchange for greater attention to what money 'does' and how money is used in discourse and practice. Only from this perspective does it become possible to explore money as an 'open site' of enquiry (Dodd: 2014: ix).

In presenting sovereignty and money as social constructions, this essay also appreciates the historical relationships between these concepts. Sovereign states are understood to possess exclusive authority over the functions of the state— including a range of economic competences such as the authority to determine monetary policy, fiscal policy, and trade policy (Zimmerman: 2014: 7). From this position, the roles of the sovereign state in the realm of money have important social and political value. The state monopoly over money has "persistently been regarded as one of the core elements of statehood," reaffirming a sense of "national independence as well as integration and identity" (Adler-Nissen and Gammeltoft-Hansen: 2008: 65-66). Beyond providing a source of identity and stability, money also offers the sovereign state tools for governance, through taxation and the monetization of public debt (Dodd: 2014: 217). Dodd reminds us, however: "The interconnections among money, nation-state, and society are far from natural" (Dodd: 2014: 211).

Echoing narratives about the 'erosion' of sovereignty, it is widely argued that "globalization and the increasing integration of financial markets worldwide have rendered…state competences in monetary and financial matters essentially hollow" (Zimmerman: 2014: 5). States are actively entering trade agreements, joining financial institutions, and structuring their economies around principles of integration and interdependence— thereby limiting state sovereignty (Adler-Nissen and Gammeltoft-Hansen: 2008: 67). According to these formulations, "money and markets are today operating outside 'timeless' norms relating to the sovereign powers of government" (Hinds and Steil: 2010: 2). In a globalized world, many governments have sought to 'reclaim' sovereignty over money— reasserting state authority in matters of monetary policy, fiscal policy, and trade policy. As Hinds and Steil observe: "Today, 'economic sovereignty' has become the rallying cry of the anti-globalization movement" (Hinds and Steil: 2010: 7). But there are reasons to be skeptical of these narratives (Zimmerman: 2014: 8). Frieden concedes: "Hampered as national governments may be…they continue to have weapons in their policy arsenal" (Frieden: 1991: 451). In spite of challenges, the sovereign state continues to wield considerable authority over money matters.

Sovereignty Games as an Analytical Framework

Drawing on these foundations, it becomes possible to introduce 'sovereignty games' as a useful lens for analysis. This framework — developed by scholars such as Adler-Nissen, Gad, and Gammeltoft-Hansen — offers "an alternative story about how sovereignty 'works' in international relations" (Adler-Nissen and Gad: 2013: 1). From this perspective, "sovereignty cannot be understood as a 'thing' that is either present or absent. On the contrary, sovereignty unfolds in the legal and political games that must be studied as both discourses and practices" (Adler-Nissen and Gad: 2013: 1). Following Adler-Nissen and Gad: "A sovereignty game involves two or more players who, in their interaction, make strategic claims about authority and responsibility with reference to a traditional either/or concept of sovereignty…and in these maneuverings, 'sovereignty' is a card that can be played— or played on— in different ways" (Adler-Nissen and Gad: 2013: 10). This framework reaffirms that sovereignty is "continuously constructed and reconstructed" (Adler-Nissen: 2014: 18). Sovereignty is not dead in a globalized world but rather the principles underlying sovereignty take increasingly diverse forms — reemerging in strategic, 'game-like' ways (Adler-Nissen and Gammeltoft-Hansen: 2008: 3).

In considering sovereignty games as an analytical framework, the notion of 'games' immediately raises questions about the rules, players, and strategic moves that constitute the game (Adler-Nissen and Gammeltoft-Hansen: 2008: 7). Adler-Nissen and Gad suggest that the logic of 'language games' has much to offer 'sovereignty games' (Adler-Nissen and Gad: 2013: 9). Drawing on Wittgenstein's tradition of language games, Fierke observes: "On the one hand, the metaphor of the game implies the possibility of strategic action and maneuver with language. On the other hand, the game metaphor also imposes boundaries on the room for maneuver" (Fierke: 1998: 17). Fierke mobilizes the analogy of a game of chess to develop these ideas— discerning that the identities of the game pieces and the shared rules structuring their use are constituted through discourse and practice (Fierke: 1998: 17). While sovereignty games may be said to diverge from language games in terms of analytical motivation, there are clear conceptual overlaps (Adler-Nissen and Gad: 2013: 9).

If we accept that there is a 'playing field' of sovereignty claims and counterclaims, who are the 'players' of the game? (Adler-Nissen and Gammeltoft-Hansen: 2008: 8). Whilst appreciating the nature of ongoing transformations related to globalization and increasing interdependence, Adler-Nissen and Gammeltoft-Hansen are clear in reaffirming the centrality of the state and the state system in their formulation of sovereignty games (Adler-Nissen and Gammeltoft-Hansen: 2008: 8). States are viewed as the primary participants in sovereignty games; however, non-state actors and institutions may equally make strategic claims in relation to sovereignty (Adler-Nissen and Gammeltoft-Hansen: 2008: 9). On this basis, attention to sovereignty games reveals how a variety of actors on many different levels may "increase their room for maneuver and legitimacy by playing on the various meanings of the concept of sovereignty" (Adler-Nissen and Gad: 2013: 4).

Beyond players, sovereignty games also entail shared rules (Adler-Nissen and Gammeltoft-Hansen: 2008: 9). Adler-Nissen and Gammeltoft-Hansen observe: "To talk about the 'rules of the game' when it comes to sovereignty…is a bit misleading. It suggests an inexistent precision" (Adler-Nissen and Gammeltoft-Hansen: 2008: 152). "However, anything does not go in the sovereignty game. At any given time those engaged in the game have an understanding of what is generally admissible or not" (Adler-Nissen and Gammeltoft-Hansen: 2008: 152). The defining rule of sovereignty games is constituted in reference to an 'either/or' concept of sovereignty (Adler-Nissen and Gammeltoft-Hansen: 2008: 10). While this distinction allows actors to relinquish and reclaim sovereignty in strategic ways, "the articulation of the either/or concept of sovereignty need, notably, be neither explicit nor affirmative in order to be vital for the game" (Adler-Nissen and Gammeltoft-Hansen: 2008: 10). This suggests that sovereignty may be deployed in different ways — further offering the possibility of playing multiple sovereignty games at once (Adler-Nissen and Gad: 2013: 10).

In thinking more deeply about the potential for multiple games, this essay will pivot towards an alternative configuration of sovereignty games, referred to as 'horizontal and vertical sovereignty games' (Adler-Nissen and Gammeltoft-Hansen: 2008: 11). This contribution, advanced by Adler-Nissen and Gammeltoft-Hansen, embraces the possibility that there is a 'web' of intersecting sovereignty claims and counterclaims operating on different levels (Adler-Nissen and Gammeltoft-Hansen: 2008: 11). On the one hand, horizontal sovereignty games demonstrate how actors attempt to "disconnect state power from the sovereign territory," by pursuing international cooperation and playing into narratives of globalization (Adler-Nissen and Gammeltoft-Hansen: 2008: 14). On the other hand, vertical sovereignty games appreciate the ways in which "sovereignty seems to shift up and down from levels above and below the state," through the allocation of authority to state, sub-state, and supra-state actors (Adler-Nissen and Gammeltoft-Hansen: 2008: 12).

Attention to horizontal and vertical sovereignty games reveals that sovereignty games are "far more complex than a zero-sum game where sovereignty is imagined to be an indivisible capacity that is necessarily transferred from one institutional actor to another" (Adler-Nissen and Gammeltoft-Hansen: 2008: 115). Indeed, "new scenarios may be emerging, rules twisted, and new moves contemplated" (Adler-Nissen and Gammeltoft-Hansen: 2008: 197). Returning to Fierke's chess analogy, it is important to consider the coexistence of these overlapping games (Fierke: 1998: 22). As Fierke observes: "One cannot play chess and monopoly at the same time, in the same space…without devising a new set of rules by which one could move the pieces of monopoly on a chess board or vice-versa" (Fierke: 1998: 21-22). This understanding is consistent with that of Adler-Nissen and Gammeltoft-Hansen, who reaffirm: "It is the ability to successfully maneuver among the varying and overlapping claims to sovereignty and its content that remains decisive" (Adler-Nissen and Gammeltoft-Hansen: 2008: 2-3).

Money and Sovereignty Games in Transatlantic Perspective

To effectively analyze the roles of money in transatlantic relations through horizontal and vertical sovereignty games, this essay will briefly establish the historical background of US-EU relations since the end of World War II. The United States has historically positioned itself as the 'leader' of transatlantic affairs — encouraging trade liberalization and free market capitalism across Europe (Lundestad: 2008: 308). In the post-WWII era, the United States heavily invested in rebuilding European strength and unity through economic dimensions, specifically advancing the Marshall Plan (Hanhimaki *et al.*: 2012: 20). The economic focus of transatlantic relations gave way to strategic security importance during the Cold War, with the creation of the North Atlantic Treaty Organization (NATO) and the looming 'Soviet threat' in Europe (Rühle: 2013: 16). Against the background of postwar recovery and unfolding Cold War divisions, aspirations for European integration gained momentum during the late-twentieth century, resulting in the institutionalization of the European Union in 1992 (Bomberg *et al.*: 2012: 4). As a supranational organization, the EU embodies deep economic integration, sovereignty-sharing, and multi-level governance (Mamudu and Studlar: 2009: 73). The European Union is composed of member states as well as institutions including the European Commission (EC), the European Parliament (EP), and the European Central Bank (ECB). As Schimmelfennig observes: "'Europe' has increasingly come to be defined in terms of these organizations" (Schimmelfennig: 2003: 1). The end of the Cold War and the rise of the European Union have, however, generated tensions in transatlantic relations (Keohane: 2015: 90). The supremacy of the US is no longer unquestioned and the EU has become a powerful supranational authority, prompting structural changes in the nature of transatlantic relations (Lundestad: 2008: 190). Tensions between the US and the EU have been heightened by disputes over how to manage emerging challenges in the twenty-first century— from global climate change to terrorism (Andrews *et al.*: 2005: 17).

Building on these contemporary pressures, it has become common to speak of relations between the United States and the European Union in terms of 'transatlantic drift' (Lundestad: 2008: 305). Many have argued that diverging interpretations of sovereignty are the underlying source of these tensions in transatlantic relations during the twenty-first century— with "the movement in Europe towards 'pooled sovereignty' and the resistance of the United States to a comparable movement" (Keohane: 2002: 758). Keohane elaborates on this point, noting: "The language of sovereignty has long been the language of diplomacy; but in this sense, the United States and Europe now speak different languages" (Keohane: 2002: 762). While such arguments are compelling, this view is largely one-dimensional and fails to acknowledge the overlapping sovereignty games at play. This essay seeks to move beyond these narrow interpretations— evaluating horizontal and vertical sovereignty games surrounding money to demonstrate how and why the US and the EU 'hang together' in spite of pressures to 'drift apart'.

This essay proposes that the contemporary world is characterized by ongoing processes of relinquishing and reclaiming sovereignty in the realm of money. Sovereignty is 'played' and 'played on' through references to the traditional authority of the sovereign state over money (Adler-Nissen and Gad: 2013: 10). This essay will necessarily limit its focus to: (1) monetary policy, (2) fiscal policy, and (3) trade policy. In the case of transatlantic relations, however, the state is not the only 'player' in the game and the 'rules of the game' are evolving (Adler-Nissen and Gammeltoft-Hansen: 2008: 8). In their interactions, transatlantic relations between the United States and the European Union constitute horizontal sovereignty games. The US and the EU are 'players' making strategic sovereignty claims about money. Vertical sovereignty games are also being played out in terms of European integration. The 'players' include EU member states and institutions— all of which are strategically allocating sovereign authority and responsibility over money. Going further, however, this essay proposes that horizontal sovereignty games between the US and the EU are entangled in vertical sovereignty games of European integration— and vice-versa. Strategic claims and counterclaims of sovereignty over money consequently reaffirm that money is a contentious albeit integrative social force in contemporary transatlantic relations.

Monetary Policy

Monetary policy signifies the traditional authority of the state to control money supply, thereby shaping inflation rates, interest rates, and currency exchange rates (Hinds and Steil: 2010: 79). Within the context of European integration, the creation of a monetary union and a common currency were considered as foundational objectives (Prasad: 2014: 17). And yet, the development of the Economic and Monetary Union (EMU) and the euro currency "rested on a gamble…that European economies would converge toward one another" (Moravcsik: 2012: 54). Since its introduction, the euro has been adopted by 19 out of 28 member states — constituting what is known as the 'eurozone' (Bomberg *et al.*: 2012: 100). Eurozone participants relinquish their sovereign authority over monetary policy to the ECB, which "makes decisions about monetary policy that apply to all member states using the euro" (Bomberg *et al.*: 2012: 111). Several member states such as the United Kingdom and Denmark have refused to adopt the euro — referred to as 'opt-outs' (Adler-Nissen and Gammeltoft-Hansen: 2008: 13). McNamara and Meunier argue that such divergences undermine the stability of the European Union, exposing the weaknesses of European integration (McNamara and Meunier: 2002: 850). Interestingly, Adler-Nissen suggests these "opt-outs may actually reinforce the integration process," given that "the everyday management of opt-outs signals a retreat from national sovereignty rather than an expression of it" (Adler-Nissen: 2014: 3). Put another way, ongoing European integration efforts— among both eurozone participants and opt-outs— signals an inventive and strategic play on sovereignty in the realm of money.

Within the context of transatlantic relations, there are also notable claims and counterclaims of sovereignty over monetary policy — with specific attention to the coexistence of the euro and dollar currencies. The dollar dominated global currency markets for much of the twentieth century, encouraging US leadership in matters of monetary policy (Prasad: 2014: 17). Prior to the creation of the euro, European countries "were obliged to rely on the dollar to achieve a kind of informal monetary integration" (Cohen: 1979: 32). These dynamics shifted as a result of the installation of the euro as a common currency in the EU (Lundestad: 2008: 160). While the US actively supported European integration as well as the importance of transatlantic relations, the euro was perceived as a threat to the dollar and the global monetary leadership of the United States (Bergsten: 1999: 28). Indeed, it was initially suggested that the euro could replace the dollar as the global reserve currency, compelling the US to rely on the euro and European monetary policy (Prasad: 2014: xvii). In response to these pressures, the United States sought to reassert its authority over monetary policy as well as its role as a dominant reserve currency. Once the immediate 'threat' of the euro subsided, however, the US embraced a less hostile position, viewing the creation of a common currency in the EU as a benefit to global monetary stability (Prasad: 2014: xvii). These strategic moves demonstrate how the US and the EU relinquish sovereignty claims to pursue international cooperation while at the same time advancing authority over monetary policy — further illuminating the roles of money in constructing and reconstructing transatlantic relations.

Fiscal Policy

In contrast to monetary policy, fiscal policy encompasses the traditional authority of the sovereign state to determine national government spending, borrowing, and taxation (Vlcek: 2008: 3). Within the context of European integration, the EU has created broad guidelines and benchmarks for fiscal policy; however, there is no common fiscal policy (Crum: 2013: 619). This decentralized approach to fiscal policy largely diverges from EU efforts to develop an integrated monetary policy (Wallace: 2016: 12). As Schimmelfennig observes: "The member states did not create a fiscal or financial union alongside monetary union," and the EU "has no right to tax and to get into debt" (Schimmelfennig: 2014: 324). On this basis, member states retain sovereign authority to determine national budgets and tax preferences. While states surrender significant autonomy to the European Union in order to benefit from membership, the continued authority and responsibility over fiscal policy exposes simultaneous claims and counterclaims of sovereignty in the realm of money.

In the context of transatlantic relations, matters of fiscal policy remain contentious— specifically concerning government budgets and questions of 'burden-sharing' in matters of security cooperation (Lundestad: 2008: 186). As the EU continues to amass global economic power, the US has "expressed resentment that it was spending proportionately more on defense and was carrying a higher degree of risk" (Rees: 2011: 4). These tensions— which have historically unfolded within the institutional setting of NATO— reflect major differences in the nature of government spending between the US and the EU (Rühle: 2013: 19). Interestingly, "the European Union has a larger population than does the United States, but the budget of the US federal government is roughly thirty times as large as the EU's budget" (Bomberg *et al.*: 2012: 102). It has equally been noted that, "unlike national governments, the EU cannot run a deficit" and "its revenues limit the amounts it can spend" (Bomberg *et al.*: 2012: 104). On the one hand, the US is critical of the EU for its inability to modify its fiscal policy structures and allocate a greater proportion of budgets towards transatlantic security cooperation. On the other hand, the authority of the EU remains limited by European integration mechanisms and the decentralized nature of fiscal policy. Together, these horizontal and vertical sovereignty games reveal how transatlantic relations are continuously constructed and reconstructed by money.

Trade Policy

Beyond monetary and fiscal policy, trade policy entails the traditional authority of the state to craft trade and regulatory agreements — governing the exchange of money, goods, and services. Both European integration and transatlantic relations expose a complex web of sovereignty claims and counterclaims in relation to trade. European integration was driven by strong motivations to create a common market across national borders — known today as the European single market (Bomberg *et al.*: 2012: 109). While the single market has promoted greater interdependence among member states, the EU also possesses exclusive competence over external trade in goods and services as well as foreign direct investment (Bomberg *et al.:* 2012: 106). Since its inception, the EU has become a leader in global trade — crafting a variety of bilateral and multilateral trade agreements while also acquiring a powerful presence within international institutions such as the World Trade Organization (Bomberg *et al.*: 2012: 211). It is argued that the European Union, as a large trade bloc, offers greater trade benefits than would be offered to individual states— signaling a strategic move by member states to allocate their sovereignty over trade policy to a supra-state authority (Schimmelfennig: 2003: 33).

In terms of transatlantic relations, contemporary trade arrangements reflect a high level of interdependence (Lundestad: 2008: 184). The US and the EU demonstrate unparalleled trade integration, demonstrating the ways in which sovereignty claims over money may be strategically relinquished to advance national or international interests in a globalized world. US and EU economies "have never been as intertwined as they are today, notably in such activities as financial services, telecommunications, utilities, insurance, [and] advertising" (Andrews *et al.*: 2005: 15). "The five trillion dollar transatlantic economy employs up to 15 million people on both sides of the Atlantic" (Hamilton: 2014: 25). Lundestad reminds us, however, that: "Today's international economy is not merely about trading goods and services, but also about the flow of money" (Lundestad: 2008: 184). Indeed, "the transatlantic economy is bound together by foreign direct investment — a deep form of integration" (Andrews *et al.*: 2005: 25). Despite pressures from emerging markets like China and India, the US and the EU continue to "invest more in each other's economies than they do in the entire rest of the world" (Andrews *et al.*: 2005: 25).

While transatlantic trade integration remains unmatched, significant attention has been directed towards trade disputes between the United States and the European Union. As players, the US and the EU relinquish their sovereignty claims over trade policy to pursue cooperative agreements; however, when such arrangements are no longer considered adequate or advantageous, players may reclaim authority and assert sovereignty counterclaims. In matters of trade and regulatory policy, this is commonly referred to as 'protectionism' (Canzoneri *et al.*: 2010: 2). Trade conflicts have motivated counterclaims of sovereignty over trade and regulatory policy — affecting everything from the trade of bananas to passenger aircraft (Rees: 2011: 2). The consequences of transatlantic trade disputes are perhaps most visible within the context of ongoing negotiations for the Transatlantic Trade and Investment Partnership (TTIP), which faces fierce opposition on both sides of the Atlantic (De Ville and Siles-Brugge: 2016: 93). And yet, there have also been meaningful efforts to resolve transatlantic trade conflicts, including the creation of "new mechanisms for cooperation…in areas ranging from competition policy to data privacy, the environment, and food safety" (Andrews *et al.*: 2005: 4). Collectively, these phenomena suggest that transatlantic trade relations illustrate an ongoing process of relinquishing and reclaiming sovereignty over money.

The Global Financial Crisis and Beyond

Building on the analysis presented, this essay will briefly explore horizontal and vertical sovereignty games in the realm of money during the global financial crisis of 2007-2009 as well as ensuing debt crises across the eurozone, widely referred to as the euro crisis. As Adler-Nissen and Gammeltoft-Hansen observe: "The performative moments of sovereignty are strongest in times of crisis" (Adler-Nissen and Gammeltoft-Hansen: 2008: 7). It is argued that these interlocking events offer a clear illustration of sovereignty games between the United States and the European Union in the realm of money— comprising a variety of strategic claims and counterclaims of sovereignty over monetary policy, fiscal policy, and trade policy. Here, it is useful to return to Dodd, who argues: "A crisis does not simply show money up for 'what it really is'. More importantly, it reveals money for what it is 'not', that is to say, it is not an objective entity whose value is independent of social and political relations" (Dodd: 2014: 386). On this basis, the global financial crisis and the euro crisis encapsulate the powerful roles of money in constructing and reconstructing contemporary transatlantic relations— further showcasing the overlapping horizontal and vertical sovereignty games at play.

The global financial crisis emerged as a result of financial misconduct and the collapse of subprime mortgage markets in the United States, spiraling into a worldwide economic recession (Cafruny and Schwartz: 2013: 13). Almost immediately, the global financial crisis became "a crisis of the transatlantic order," reaffirming the scope and depth of US-EU integration (Cafruny and Schwartz: 2013: 23). In the European Union, much of the blame for the global financial crisis was placed on the United States, thereby diminishing transatlantic relations (Brown: 2009: 313). "Why converge with the US when the US financial system caused the crisis?" (Holmquist: 2009: 5). And yet, Brown reminds us "the notion that European bankers were innocent victims is misleading. American bankers may have been among the pioneers in creating derivatives; but European bankers participated enthusiastically in creating, selling, and buying securitized obligations" (Brown: 2009: 316). It has been widely contended that the experiences of the global financial crisis will intensify sovereignty claims over money, thereby diminishing the sense of interdependence and integration between the US and the EU (Zimmerman: 2014: 192). While these concerns persist, transatlantic cooperation to improve global financial stability in the wake of the crisis suggests that the United States and the European Union will continue to strategically relinquish and reclaim sovereignty over money matters in a globalized world (Posner: 2009: 692).

The global financial crisis also had serious consequences for European integration—motivating the euro crisis (Wallace: 2016: x). The recession resulting from the global financial crisis diminished the confidence of eurozone countries like Greece, Portugal, and Ireland to balance their budgets, creating "a vicious circle…with national default as its logical endpoint" (Crum: 2013: 620). Interestingly, the euro crisis revealed that the combination of integrated monetary policy and independent fiscal policy was unsustainable (Crum: 2013: 620). In the face of potential collapse, the ECB "agreed to do 'whatever it takes' to preserve the eurozone" (Hodson: 2013: 198). Indeed, the ECB offered unprecedented bailouts and credit guarantees across the eurozone, generating strong public backlash and skepticism about the fate of the European Union (Buckley and Howarth: 2010: 119). And yet, these crises have not 'undone' the EU or the eurozone (Serricchio *et al.*: 2013: 51). "The eurozone has reacted to the crisis by introducing unprecedented collective liabilities, significantly reducing state autonomy" (Schimmelfennig: 2014: 326). Neither has the EU fulfilled visions of a 'Fortress Europe' by retreating from global trade and financial integration (Pagliari: 2013: 405). Contrary to expectations, the global financial crisis and the euro crisis have bolstered European integration and trade liberalization — exhibiting the strategic moves of players within these vertical sovereignty games (Tosun *et al.*: 2014: 202).

Today, nearly a decade since the outbreak of the global financial crisis, it is presumed that "the worst of the crisis is behind us" (Sinn: 2014: 2). And yet, the future of transatlantic relations remains unclear (Altman: 2013: 8). Transatlantic disputes appear to have sharpened in recent years— particularly in the wake of dramatic political transformations on both sides of the Atlantic (Cafruny *et al.*: 2016: 9). Returning to the idea of 'transatlantic drift', this essay proposes that, in spite of divisive pressures from the global financial crisis and beyond, transatlantic relations will continue to 'hang together'. Attention to sovereignty games in the realm of money demonstrates how transatlantic relations are entangled in a complex web of overlapping horizontal and vertical sovereignty games. As Adler-Nissen and Gammeltoft-Hansen reaffirm: "The sovereignty game is surprisingly resilient and...difficult to escape" (Adler-Nissen and Gammeltoft-Hansen: 2008: 168). The presence of overlapping horizontal and vertical sovereignty games only intensifies this resilience— signaling that transatlantic relations between the US and the EU cannot be easily forsaken.

Conclusions

Sovereignty and money are powerful social constructions, woven together in complex and multifaceted ways. This essay has used a sovereignty games-based analysis to explore claims and counterclaims of sovereignty over the realm of money in transatlantic relations. More specifically, this essay has evaluated how the traditional autonomy of the state over (1) monetary policy, (2) fiscal policy, and (3) trade policy can be relinquished and reclaimed in strategic, 'game-like' ways by a variety of actors operating on different levels. This essay has also demonstrated that horizontal and vertical sovereignty games in the transatlantic context are deeply intertwined. Transatlantic relations may appear to 'drift apart' under pressure but the United States and the European Union are likely to 'hang together' due to the nature of these interlocking games. While money has been used here as a lens into contemporary transatlantic relations, this essay does not suggest that money is the 'only' meaningful dimension of US-EU relations. However, this analysis demonstrates that the foundations of transatlantic relations can almost always be linked to questions of money. In spite of the challenges ahead, money will remain a contentious albeit integrative social force in contemporary transatlantic relations for the foreseeable future.

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Notes

[1] Question adapted from Onuf (2013) and Ruggie (1998), respectively

[2] For a range of relevant scholarship on sovereignty in International Relations, see Biersteker and Weber (1996) *State Sovereignty as Social Construct*; Jackson (2007) *Sovereignty: The Evolution of an Idea*; Krasner (1999) *Sovereignty: Organized Hypocrisy*; Peterson (1992) *Gendered States: Feminist (Re) Visions of International Relations Theory*; Strange (1996) *The Retreat of the State: The Diffusion of Power in the World Economy*

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