A Global Europe: What kind of power?

THEORY:

• “Above all, however, institutions help states reach a collectively superior outcome by reducing the transaction costs of further international negotiations on specific issues and by providing necessary information.” (Moravcsik)
• “Where policy alignment can generate mutual gains with low distributive consequences, there is an incentive for international policy coordination or convergence.”
• “In this view, the willingness of states to expand resources or make concessions in bargaining is a function of PREFERENCES, not (as in realism) linkage to an independent set of ‘political’ power resources.” (Baldwin, 1979)
• Bicycle Theory:
  • “Some convinced European federalists reject this scenario. they believe that the EU must keep moving toward federal union or risk collapse, colloquially referred to as the ’Bicycle theory’ according to which ‘you must keep moving forward lest you fall off’.” (Moravcsik)

ECONOMIC POWER:

• Core of EU = market/trade block, based on economics
• Euro = 2nd largest international currency (Sapir, 2007)
• Regional economic power of EMENA geographical area
• The EU clearly exerts power in:
  • Trade:
    • EU’s 28 members account for 16% of world imports and exports
    • Collective trade policies
  • International monetary organisations:
    • 8 members on boards of IMF, WTO, control 30% of votes (Sapir, 2007)
• Foreign Direct Investment/Aid:
  • More than a ¼ of worldwide foreign direct investment (Tatarcan, 2015)
  • Largest donor of foreign aid (Sapir, 2007)
• Market Power Europe (Damro, 2012)
  • The EU ‘exercises its power through the externalization of economic and social market-related policies and regulatory measures’
    • Persuasive & coercive means
    • ‘global standard-setter’
    • Huge market size
• Single Market’s success
  • Defining feature of the EU (Young, 2006)
  • 7% of world pop., but generate 22% of world’s wealth (Van Rompuy, 2010)
    • Compared to about 21% for the US, 11,5% for China and 4,7% for India.
  • Externalises various internal policies, esp. regulatory standards (Vogel, 1995)

POLITICAL POWER:

• Normative power debate:
  • The EU can be defined as a normative power due to its influence in various areas e.g Human Rights and Foreign Aid (Manners, 2002). The EU continues to draw on the ‘legacy created in the 19th Century’, giving it a high status in international society (Keene, 2012).