



## European Integration: Global Strategy for Waning Powers

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I began the project that led to the writing of my recent book<sup>1</sup> because I observed a series of lacunae in three distinct scholarly literatures.

First, doing research on the transformation of the eastern half of Europe and in northern Eurasia after state socialism, I noticed that analysis of the astounding power of foreign corporations in taking over the productive capacities – as well as of the deep involvement of the European Union and its most powerful member states in the crafting of a political, legal, discursive, cultural and emotional environment conducive to such an externally led transformation in eastern Europe – was almost entirely absent from scholarly writing about the transformation.

Second, the abundant and distinguished literature on the EU seemed to sidestep what appeared to be, from the perspective of the global historical sociology of power and authority, the most fundamental question at hand, namely, just what the EU was. With most scholarship on the EU focused internally – treating it almost exclusively as an amalgam of its member states – a workable theory of the external form, relations and effects of the EU seemed to be noticeably absent from the extant literature. Mahua Sarkar and I co-authored and published a study<sup>2</sup> on these twin subjects, arguing that the EU's success was a fundamentally relational phenomenon. It had to do with the EU's ability to manage an intricate network of geopolitical actors – mainly states and intergovernmental organizations of great global sway – that had significant executive capacities. The EU effectively externalized the task of the enforcement of its legal output.

If we examine that network-based strategy of distributed enforcement – a geopolitical arrangement that is by and large unique to the EU – we find that it is rooted in the distinctively central role the states of western Europe (today, without

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1 József Böröcz, *The European Union and Global Social Change: A Critical Geopolitical-Economic Analysis*, (London: Routledge, 2009).

2 József Böröcz and Mahua Sarkar, "What is the EU?" *International Sociology* (June 2005): 153-73.

any exception, members of the EU) had played in the specific history of the four-and-a-half centuries of global 'governance' before the emergence of the EU, commonly known as colonialism. Attention to that historical rootedness brought me to a third lacuna: the absence of a specific link between the history of colonialism on the one hand and the EU on the other, leading to a somewhat imprecise and flattened conceptualization of the postcolonial literature's key operative concept – 'Europe.'

As I argue in *The European Union and Global Social Change*, three major global structural transformations took place at the end of World War II. All three had to do with vital geopolitical ingredients of west European statehood. The collapse of the Nazi German imperial project put to rest the dream of establishing a contiguous, pan-European empire by military means. The deep damage to Europe's bourgeois societies and their industrial-capitalist infrastructure forced the abandonment of the previously predominant practice of reliance on brute force in adjudicating disputes, and in rearranging relations of relative power, among the states of western Europe.

The collapse of the four-and-a-half centuries-old colonial system and the related retrenchment of the aggressive 'forward' postures of the imperial machines of the west European states outside Europe reduced the global grip of western Europe and drastically increased the overall complexity of global geopolitics.

The Allied victory over Nazi Germany, which was to a great extent achieved by the Soviet Army, brought the geopolitical frontier between state socialism and capitalism 500–800 kilometers westward, into the heart of central Europe. This, along with the news of a series of socialist revolutions – the most consequential being the one that swept over China – made it

seem plausible that a non- (and in some important ways anti-)capitalist set of political and economic arrangements would soon take hold in a vast and superbly resource-rich region stretching from the North Sea, the Alps and the Adriatic to the South China Sea and the Kamchatka Peninsula, taking about one third of the world's human labor force out of direct reach of capital.

Colonialism, the belligerent legacies of west European states and the Nazi German project for a pan-European empire can be interpreted, as the book does, as a variety of responses to a single *longue-durée* structural shortcoming, an inherited limitation that plagued the modern states and corporate capital of western Europe – namely, an endemic problem of *small size*. Viewed on a global scale – which included a large part of Afro-Eurasia centuries before the emergence of global capitalism – this size

limitation put west European public authorities in a consistently disadvantaged position in their competition for resources and profits throughout the modern era.

Overseas colonial expansion was a geopolitical response to this historic disadvantage of west European public authorities. It involved the creation of a system of global cross-border networks with three distinctive features. First, the ties that made up the colonial system were vectors stretching across vast geographical spaces, eventually covering almost the entire globe. Second, those colonial vectors were institutionalized channels that transferred resources from the colonized societies into western Europe, and which brought violence, public authority without voice or hegemony, regulation, repressive law and a racist philosophical anthropology in the opposite direction. Third, the emerging colonial network was extremely centralized, with the main colonial powers – a set of strategic alliances between

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modern states and corporations – located, throughout the centuries, exclusively in western Europe. As a result, lateral ties in the network were either created by the colonial power itself – as in the case of forced population displacements to serve as labor in global colonial ventures – or effectively banned.

The dismantling of the colonial system involved the drastic reorganization of global governance. From a tightly hierarchical network structure with west European powers at its center, the post-independence period saw a shift to European regionalism.<sup>3</sup> In response to the triple challenge of the impossibility of war among west European societies, the precipitous loss of colonial power and the appearance of state socialism as a regional entity on their eastern borders, west European societies reinvented the idea of a pan-Europe, this time carefully purging it of any Nazi content.

The resulting supra-state public authority, the European Union, cannot be considered a state because it lacks – and explicitly excludes the possibility of the construction of – an executive apparatus of its own below ‘Brussels’. Hence the EU is a new, and unique, supra-state public authority, one that even has a few quasi-democratic features, although clearly not fully comparable to any liberal-democratic state in terms of its political system, especially because of its deficiencies in providing formal avenues for accountability.

The book marshals considerable empirical evidence in addressing each of these issues. In this contribution, I provide a quick illustration of some of the implications of this perspective by examining the EU’s performance in the global

system throughout its history. I will focus on a dimension that is, as argued in the book, one of those most central to the logic of the EU as a supra-state public authority: its ability to create *global economic weight*.

Global economic weight can perhaps be best understood as a geopolitical equivalent of market share, one of the most coveted dimensions of growth by for-profit corporations. Empirically, I define it as the share of the GDP (or any other estimate of economic performance) of a given public authority as percentage of the total Gross World Product. In attempting to apprehend it empirically, I rely on the widely used Geary-Khamis Purchasing Power Parity estimates produced by British economic historian Angus Maddison.<sup>4</sup> *Ceteris paribus*, the greater share of the global economic output occurs within the borders of any public authority, the greater the geopolitical sway of that public authority *vis-à-vis* all other actors. Of course, specific aspects of geopolitical relations might make other dimensions – e.g., population size and composition, access to natural resources or navigable avenues of transport, military capacity, degrees and forms of social mobilization, access to specific technologies, distribution of income among other public authorities, etc. – more vital, so we ought not to think of global economic weight as the only significant dimension of geopolitics in every context. Nevertheless, it serves my overall analytical purposes for two reasons: Economic capacity does underlie many other aspects of geopolitical capacity in a very powerful way, and estimates of economic output are among the more readily available conventional measures for the world’s states.

Clearly, as Figure 1 indicates, the EU was

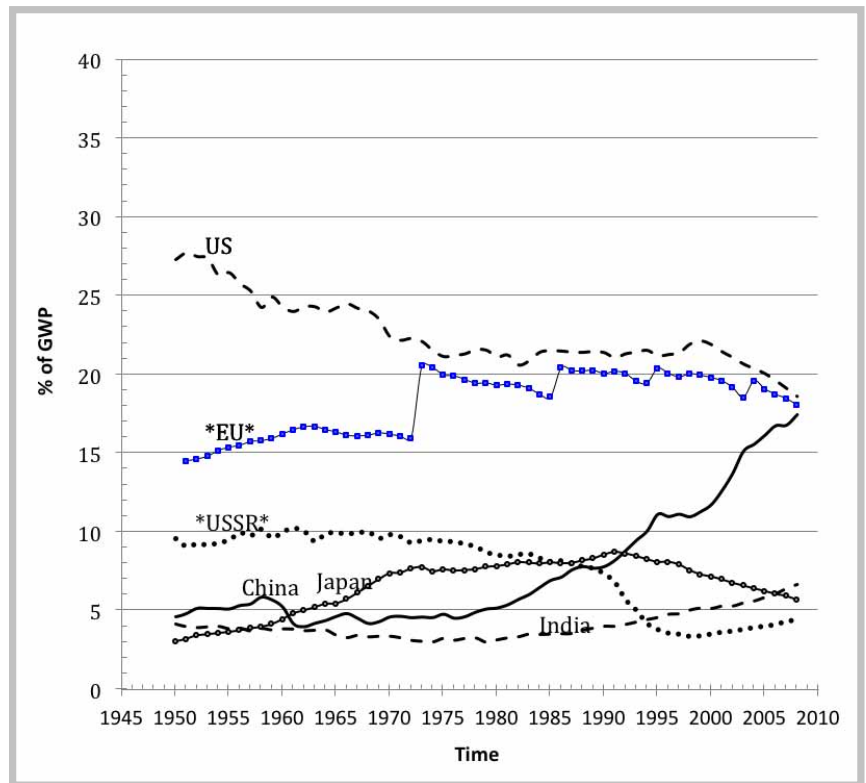
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3 Karl Polanyi, “Universal Capitalism or Regional Planning,” *The London Quarterly of World Affairs* (Jan 1945): 1–6. See also Kari Polanyi-Levitt, “Development and Regionalism: Karl Polanyi’s Ideas and the Contemporary World-System Transformation,” Inaugural Lecture at the Conference on The Transformation of the World-System: Insights from the Work of Karl Polanyi, (Budapest: Hungarian Academy of Sciences, November 5–6, 2004), <http://www.karipolanyilevitt.com/wp-content/uploads/2011/01/budapest-address-Kari-Polanyi.pdf> as of May 1, 2011.

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4 Angus Maddison, *Statistics on World Population, GDP and Per Capita GDP, 1-2008*, [http://www.ggdc.net/MADDISON/ Historical\\_Statistics/horizontal-file\\_02-2010.xls](http://www.ggdc.net/MADDISON/ Historical_Statistics/horizontal-file_02-2010.xls) as of May 1, 2011. The conversion into percentages of the Gross World Product has a methodological advantage as well: It eliminates comparability problems over time.

Figure 1: Global Economic Weight: The EU and Its Major Competitors, 1950–2008



a great initial success<sup>5</sup> in terms of lending global sway to its chronically weight-impaired member states. In its first year of existence, it already stood at 14.9 percent of the Gross World Product, a level never achieved by any single west European state in the two millennia covered in Maddison’s data. This put the EU considerably above not only the USSR, but all other single global actors except the United States. In the early seventies, the global weight of the EU saw a considerable uptake and, since then, it has varied by and large in parallel with the United States. The graph also shows quite clearly the precipitous decline of the USSR, as well as the dramatic upswing of China and the less steep, nonetheless robust, upturn of India.

There is, however, more to the story. A detailed look at the curve of the EU in itself (as in Figure 2) reveals that the time covered in this graph – 1951 to 2008 – consists of several fairly distinct periods, marking the economic history of the EU with a rather peculiar pattern. The curve is made up of intervals of considerable consistency separated from one another by clear breaks. Two things are to be noted here. First, those breaks coincide with the enlargements of the EU, starting with the 1973 accession of Denmark, Ireland and the UK, and proceeding through the admission of Greece (1981), Portugal and Spain (1986), Austria, Finland and Sweden (1995), the ‘Big Bang’ accession of eight erstwhile state socialist states plus Cyprus

and Malta (2004), and the entry of Bulgaria and Romania (2007).

Equally striking, the periods between accessions are marked, almost without exception, by a tendency of steady *decline* in the EU’s global economic weight. In fact, as it turns out, the EU’s global economic weight increased marginally (from 14.49 percent to 16.7 percent) during the first 13 years of its existence. Since then, of the remaining 29 non-accession pairs of years, there have only been five (1968–69, 1978–79, 1988–89, 1990–91 and 1997–98) when the EU registered an increase in its global economic weight. The magnitudes of these non-accession increases are minuscule in comparison to the gains in economic weight that have occurred through enlargement. Since 1995, the accessions (the addition of 12 new member states) have not even compensated for the losses of global economic weight that had occurred during the immediately preceding period. As a result, with its 18.05 percent share in the Gross World Product in 2008, the EU stood almost 2.5 percent below its peak position of 20.54 percent

<sup>5</sup> Two entities are marked by \*asterisks\* in this graph, signaling that the figures represented in them are, at least partly, products of computations on my part. The \*European Union\* is an artificial entity I created by summing the GDP estimates of its members at the time. Figures for the \*USSR\* are results of computations in the post-1990 period. (Both totals have, like all other figures in this paper, been further converted to percentages of Gross World Product for the given year.)

(estimated by Maddison to have occurred in 1973). Put simply, the EU shows a very clear and recurrent tendency of losing the economic component of its geopolitical sway in the world, and compensates for such losses by periodic enlargements.

It should be noted that, despite the clear tendency of a decline, these figures mark a considerable degree of global privilege: In 2008, when the EU had control over more than 18 percent of the Gross World Product, it did so with about 7 percent of the world's population.

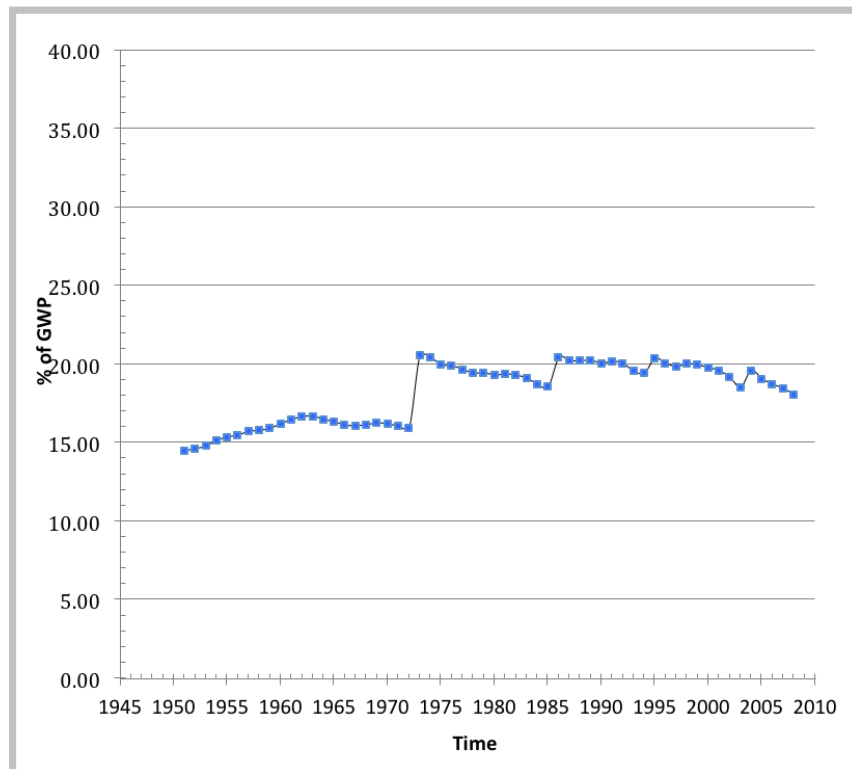
Imagine, for a moment, that a state were to adopt a strategy of global weight gain similar to what the EU has implemented during the past almost-six decades: increase or regain its global economic weight through a series of highly regularized processes whereby it incorporates other states. Given the prominence of the Westphalian logic in international relations as it is practiced in the interstate system today, such a strategy would clearly be only imaginable by reliance on (or at least the credible threat of) the use of military force. Either way, any state that would pursue such a policy would likely have already had to face severe

international sanctions of all kinds, if not counter-violence. It is a fascinating commentary on the power of the innovative, non-state public authority structure that the EU has managed to institute that it can proceed with this strategy without the slightest bit of acrimony – in fact, the immediate political problem it has faced, for at least two decades now, is the rush of would-be member states positioning themselves for potential membership.

This regularity might also hint at the much-debated limit (or, as in EU jargon, 'finality') of the EU's expansion. If the main benefit of enlargement is that it contributes to (at least the maintenance of) the EU's global economic weight, the true interest of the already existing EU is in finding relatively large, wealthy and, in legal, political and vaguely socio-cultural terms, 'EU-compatible' potential member states that are, preferably, geographically contiguous with the already existing EU. Of the last two enlargements, adding as many as 12 new member states, none satisfies this implicit requirement – nor do any of the current pending applicants.

Two possible outcomes may follow from this. One, it is possible that the EU will proceed with the pending accessions and hope that an augmented economic space will be conducive to some kind of new dynamics of economic growth that will allow it to maintain its current, privileged position in the world. If, in contrast, that new kind of economic growth fails to materialize, and/or if the EU refuses to proceed with at least some of its pending accessions, it is to be expected that its global economic weight will continue to decline. If that were to happen, it would be a truly epochal transformation, gradually diminishing what the world has known, for centuries, as exceptional west European privilege.

Figure 2: Changes in the Global Economic Weight of the EU, 1950–2008



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