

The European Union in a Changing World: Globalizer or Globalized?

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This paper analyzes the influence of the globalization processes on the European Union's viability in today's transformative world. Its main theme of discussion is the tension between an EU that may appear to be threatened by globalization and an EU that may be construed as an active factor of globalization. This paper maintains the view that while global forces exert significant political, economic, social and cultural pressures on the EU's member states' ability to remain viable entities of governance, the EU as the embodiment of pooled sovereignty can not only protect the European nation-state from demise, but it can also strengthen it by representing it on the world stage through the legitimacy conferred upon it by the member states. The conclusion offered here is that the EU acts predominantly as a globalizer, even though it is itself exposed to the processes of globalization, and that it can stand as a model of governance from which other regions of the world may seek inspiration.

Keywords: European Union, Europeanization, globalization, governance, regionalism.

Introduction

Dreaded by some, celebrated by others, there is no escaping globalization in any kind of discourse today. From politicians to business people, from academics to students of all ages, from the ever-present media to the man on the street, just about anyone has heard, talked or written about it. Blamed or credited, depending on the stance one takes, for the need to reform, for competition, for economic changes, for richness and poverty, for the spread of digital technologies, for changes in social habits, for the way in which we learn and teach, for the ills and the thrills it generates, for ups and downs of all sorts, for abundances and shortages, or for just about anything our minds can fathom, globalization has been a driving concept in thinking about these themes.

But why talk about globalization here? Primarily because the term globalization consistently appears in EU official documents and parlance as a rationale for promoting needed programs, projects or actions subscribing to the larger narrative of developing a globally competitive organization on all fronts. If it is technology, education, business, industry or social measures, globalization is the all-inclusive motivator for persuading the multitude of actors, but especially member states' governments, into action. To be sure, it must not be inferred from here that individual governments are ignoring the global trends, quite the contrary. But the EU institutions are concerned with fusing the fragments into a strong whole able to cope, as a unitary mechanism, with the pressures from global competitors. Because of the unique relationship between the member states and

the EU institutions, an incursion into the realm of globalization and its relevance for the contemporary functioning of the nation-state (or simply *the state*)¹ is a theme that has to be subjected to theoretical scrutiny at this point.

The discourse on globalization has expanded to the point that there is virtually no electronic medium, TV newsreel, journal, newspaper, academic publication or government document that doesn't make reference in one way or another to globalization in any field of inquiry. My intent here is not to fully engage in a minutely detailed epistemological analysis of globalization. The field is enormously varied, interpretations run through the lenses of the full gamut of economic, political or social theories and the complexity of the notion itself renders it rather unwieldy for an elaborate discussion that could fit in the space of an article. As Scholte (2000) puts it, "the only consensus about globalization is that it is contested" (p. 39). I am rather focusing on some of the key aspects that I believe make it relevant for the subject at hand here, namely the relevance of the nation-state in the context of contemporary global trends.

The root cause of much of the confusion, frustration and disorientation surrounding globalization in our times stems from the difficulty of pinning down the term itself to a general accepted understanding. Its significance is put to the test, with some calling it a phenomenon or a process, others thinking of it as an ideology, yet other denying its existence altogether. Some have attempted to bridge this divide by employing two terms instead of one. Thus, *globalization* and *de-globalization* are processes whose axes of representation are projected in terms of action and distance. They are the movers in a "state of the world involving networks of interdependence" called *globalism* (Keohane & Nye, 2000, p. 2). This dichotomy, however, may render the debate on globalization even hazier than it needs to be, as the term globalization is generally understood (or perhaps misunderstood, depending on interpretation) to comprise both notions. Steger (2003, p. 7) and Scholte (2003, p. 87) mention *globality*, as a derivative term of globalization. While the former uses it to refer to a "social condition" that encompasses a wide array of "interconnections," the latter perceives it as a set of "circumstances where territorial space is substantially transcended." Everyday media and globalization literature rarely ponders the distinction between these notions, however, opting instead to stick with *globalization* as the sole term of reference. I will not embrace here a hard definition of globalization, but I find both Keohane & Nye's and Steger's positing useful in expressing my view that globalization, in general terms, is a manifestation of multi-sectoral forces exerting push or pull actions across distances on entities throughout an interconnection of systems. I also drew some inspiration for this formulation from Giddens' (2003, p. 60) dialectic relation between "local involvements" and "interaction across distance" without necessarily submitting to his interpretation of globalization.

¹ I will use the terms *nation-state* and *state* interchangeably, though there is a fine difference, in my view, between the two. *Nation-state* has an affective connotation which implies the presence of a nation or people with its institutions as an interactive unit in which "subjects" and "rulers" are bound together by a shared commitment to the upholding of the nation's distinctive character. *State* is devoid of the emotional linkage to a cultural pattern of behavior, being more oriented towards maintaining the rule of law and acting as the guardian of the universal rights interests and obligations of all entities under its dominion.

Dimensions of Globalization

More often than not, globalization is assigned a whole range of dimensions in the academic discussions. Each dimension appears to be split right down the middle with two camps trading contradictory messages across the dividing line. The most frequent of all and probably the easiest to identify, is the economic dimension. It seems to be the instinctive association to and the primary driving force (if not fundamental for the hard-core economists) globalization for many authors. Those who see the acceleration of transactions across economic systems as irrefutable proof of the presence of globalization, are usually enthusiastic free-traders who consider that unbridled trade, liberal economics, deregulation, minimal government interference, promotion of foreign direct investment, free movement of capital, etc. constitute the recipe for success in the countries of the global economy. For them, international financial institutions, such as World Trade Organization, International Monetary Fund or World Bank are “the pride of progressive architectural design regarding the management of the world economy” (Bhagwati, 2004, p. 23) and Coca Cola refrigerators in the “lonely desert outposts” selling the popular soft-drink stand as “temple[s] to consumerism, choice, global integration and corporate organization” (Moore, 2003, p. 43). On the other hand, there are those who oppose this picture of progress via free-trade by arguing that there is nothing new about globalization or that we are witnessing the end of globalization. James (2001) points to the “globalization backlash” of the late nineteenth century to the run up of the Great War as an indication that globalization is not characteristic of our contemporary world (p. 6). Saul (2005) concurs with this cyclicity, but nuances it with the broken promises of the elites’ global economic designs which rendered richness in some quarters but reduced the collective wealth of ordinary citizens (p. 24). In driving home the same point, Rugman (2000) calls globalization a “myth” and considers that the bulk of the global economic trade is confined to a space he calls the “triad” (p. 22), formed by the economies of the United States, European Union and Japan, with much of the rest of the world being left out of this share of the global economic pie.

Politics is the next subject in the globalization debate. It is usually concerned with governance and territoriality tied into the question of the locus of political control at global level. Here again we see two main diverging perspectives. On one side of the coin we have those who propose that policy-making has shifted from the traditional governing bodies of the nation-states to the supranational, supraterritorial, intergovernmental (not in the sense in which it applies to EU politics) or, more simply put, international level. The first example that is immediately contemplated is that of the European Union, which has come to be recognized, even by many economists for whom Europe as body-politic is an afterthought, as a new kind of political organization embedded in globalization. The United Nations, with its Security Council and the General Assembly, is considered an international political force, particularly through its subsidiary bodies entrusted with guaranteeing international law (International Criminal Court or the International Criminal Tribunals for the former Yugoslavia and Rwanda). The Council of Europe or the Organization for Security and Cooperation in Europe (OSCE) also serve some of these functions, though at a regional level. International economic bodies such as the WTO, IMF or World Bank are also considered as branching out into the political

realm, as many of the economic policies that come out of these organizations have deep impacts on the politics of many developing countries. Other entities, such as International Non-Governmental Organizations (INGO) have been attached increased significance in recent times for influencing national government decisions on various issues. On the other side of the coin we see the defenders of the sovereign right of national governments to manage, control and represent the interests of the state both internally, as well as externally. This view seemed to fade away in the aftermath of the Cold War, but it has gained fresh confidence within the last few years given America's new reassertion and projection of political and military power employed in the defense of national security interests.

The socio-cultural dimension entertains the idea of societal transformations and cultural interconnections that are brought about through the dispersion of social habits and culturally iconic traditions specific to some places to the rest of the world. For those who support this type of globalization, there are benefits to be gained from the diffusion of models of social practices or programs from those locations in which they are proven to be successful to other parts of the world that could benefit from them. For others, the concern is that this application of models cannot be performed without adaptation to local conditions, since cultural traditions may not be compatible with aspects of social models developed in culturally different environments. The debate is not as sharply polarized in partisanship terms as is the case with more concrete notions such as politics or economics, but being immersed in a naturally shapeless and fluid medium like culture or society, it is fraught with the difficulty of extricating and making sense of key elements from the entangled web of the socio-cultural mosaic. The discussion usually revolves around dissecting the meaning of powerful influences of cultural icons promoted, not coincidentally, through economic means. Commercial brands with instant recognition (Coca Cola, McDonalds, Nike, IBM are just some of the examples that easily come to mind) are perceived by many critics as the vehicles of the imposition of a western consumer culture on world locales without due consideration of the impact on local people's cultural traditions. Benjamin Barber's (1995) "McWorld" concept captures this condition and visualizes the uniformization of the global cultural space, through manipulating the images, sounds, messages, propaganda, desires and (im)morals of a culture that is everyone's and yet no one's. The "infotainment tele-sector," as Barber names it, fills every nook and cranny of every cultural universe, de-localizing and imperiling age-old local customs and arts. Yet, at the same time, resistance to the imposition of alien cultural constructions on parochial cosmoses manifests itself at every turn, even if the chances of survival of rituals or ways of life, for instance, in the face of the pop culture monolith are slim. Not everything in this realm needs to be marked by gloom and doom though. While many cultures sense the threat of extinction, others are able to extract or adapt some of the elements of the dominating western values and transpose them to local conditions (Inglehart, 2003, p. 131). Those that are indeed endangered to lose their identity are the smaller communities that, in the first place, suffer from a dwindling of their generational pool. But then, they may well be fated to disappear altogether, a consequence that may not be attributed to western cultural imperialism.

Environmental concerns have entered global consciousness thanks to the relentless efforts of the scientific community and advocacy groups (Greenpeace is the most notorious of them all) in urging governments around the world to foster cleaner lands, waters and skies. A superficial reading of any daily news source would place global warming or climate change, for example, to the heart of globalization and impart the sense of urgency that is often uttered through the media outlets about the need for action in coping with this pressing matter. This environmental dimension, while having deep ramifications in multiple aspects of life, particularly in the fundamental level of society's very existence, is intrinsically linked to the human activity in the economic realm (Keohane & Nye, 2000, p. 5). Industrial activity, development and growth are principal "culprits" in such environmental ills as air and water pollution, soil degradation, oil spills or ozone depletion. But farming techniques (whether in the developed or developing countries), human consumption, traffic congestion or waste (mis)management are also factors with huge consequences for the environment. That is why sustainability in economic development programs, be it in agriculture or industry, is always associated with environmental protection, so that growth is not pursued at all costs without the implementation of measures to prevent hazardous spills or unnecessary pollution of any kind that can damage the planet's ecosystem.

Another component of globalization ponders international security arrangements, proliferation of weapons and projection of military power, acute issues today particularly in the conditions of an international military order in which the United States has unmitigated supremacy. If during the Cold War a nuclear standoff between the US and USSR was at once a threat to and a deterrent of each superpower's actions, the collapse of the Soviet Union left the US exposed to the uncertainties of not knowing how to wield its immense military might. The perceived threat of unconventional warfare has forced international security arrangements, like NATO, to reconsider their missions. Set up as a common defense umbrella for the US and its western European allies to confront potential Soviet aggression, NATO had to redefine its role to take on uncharacteristic duties such as peacekeeping, while also moving from a defensive to a more offensive philosophy particularly when it comes to its members countries' cooperation in combating terrorism or actions of "rogue states" that could potentially be involved in supporting terrorism.

There are many other facets to globalization, but I would like to finally give due consideration to education and computer technology as features that have daily relevance to our contemporary life. Education is crucial in acquiring the knowledge and skills from which one benefits over the course of one's life. If the ancient Chinese, Indians or Egyptians with their universities or the Europeans with the modern conception of degree-granting universities (the oldest European university in existence today is the University of Bologna, founded in 1088), recognized the value and power of formal education, it makes sense to keep education in the same high regard today. How can we conceive of a relationship between education and globalization? In the sense that education generates human capital for use in the global economy or for using universally recognized digital technologies for learning new skills or accessing information, at the general level, we may speak of global education. But formal education does not easily lend itself

to generalizations of the sort that would render it global. Schools and universities are embedded in national cultures normally residing on territorially confined states (Boyer, 1996, p. 51). Essentially, institutions of formal education are the vehicles for the preservation and perpetuation of national culture and a fundamental feature of the modern state is its unconditional, expected financial and logistical support of its educational system. No global educational system is on the horizon.

At the same time, the proliferation of information and communication technologies have enriched the global societal landscape by transforming the way governments, businesses, corporations, armies, individuals in general, etc., communicate and use information. Sure enough, ask what the source of globalization is and chances are that the first answer you get is ICTs, the internet or the World Wide Web. Any government agency, commercial firm or university today that does not have a web address is out of step with the rest of the world and can pass as a non-existent entity in some respects. It goes without saying that the educational system is both the promoter of ICTs as well as the environment in which skills to use them are imparted. After all, in our society, it is those individuals who are educated that are able to make effective use of technologies for professional, recreational or commercial purposes.

The Nation-State and the Pressures of Globalization

Within all these dimensions, the state acts as the common denominator given that it represents a space in which various interactions originate and are transmitted, parceled out through borders that separate national territories. It is often argued in the globalization literature that the role of the state in regulating social, economic or political activity has diminished in recent years, particularly when the subject is viewed from the perspective of commerce and telecommunications. There are visible signs, however, that the nation-state has shown remarkable resilience in what we perceive as the tumult of deep global transformations. I am of the opinion that the state remains the most viable alternative, as a manageable unit of territorial governance, to any envisioned global arrangement. That the state has been affected by borderless economic and financial transactions is undeniable, but it has not led to the dissolution of the state as the container of political, social, cultural, ethnic and national values of a populace within its territory. Even in the sophisticated EU with its transfers of authority from national to supranational institutions, national determination and the recognition of many sovereign rights of states are as valid as ever. Sassen (1996), for instance, apart from contending that economic activity and the emergence of the “electronic space” have induced extraterritorial pressures on the authority of the nation-state, questions the ability of national governments to control the entry of foreign citizens on the territories under their jurisdictions. I would argue that if there is one policy that is not subject to extraterritorial influences brought about by globalization is immigration and citizenship. States still reserve overwhelming, and, in many cases exclusive, command over the inflow of foreign nationals, be they visitors or workers. The United States is a prime case in point especially considering the view of the rest of the world that globalization is essentially an American phenomenon. The rules for almost any foreign national seeking entry into the US are some of the most stringent in this so-called global open society of ours. Only a privileged few have the right to set foot on American soil without the need to obtain a visa.

Citizens of 27 mostly rich, industrialized countries included in the US Department of State's Visa Waiver Program¹ can avail themselves of this possibility for tourist purposes only. When it comes to the right to work in the American labor market, visas are automatically imposed and the rules for obtaining them are even more cumbersome. Canada is the only other country whose citizens have more generous entry terms for visiting, studying and working, but that is a consequence of a historical tradition of close friendship between the two North American neighbors. This fact alone refutes many of the arguments embracing the notion of a new global order in which people can freely move or settle anywhere with the state being powerless in forestalling such tendencies. Canada, while more welcoming of immigrants than the United States, is equally in charge of controlling its immigration flows, with yearly quotas established for the admittance of foreign nationals seeking to obtain permanent residence. Australia, with its insularity, makes no exception to imposing and maintaining strict immigration criteria. Japan, the epitome of technological modernity is ironically one of the most traditionally closed societies, fiercely guarding its national heritage, still reluctant to let foreigners in for reasons other than short-term employment. Securing Japanese citizenship for someone not born in Japan is almost an impossible endeavor. Even in the European Union, this experiment in globalization for some, the entry of third nationals (any nationals of a non-member state) is strictly regulated. As with many other policies in the EU, control over immigration is a dual responsibility of the national governments and the supranational institutions. The latter, however, are entrusted only with ensuring uniform technical standards (e.g., design of the visa stickers, duration of stays, etc.), while the former have the ultimate say in setting entry quotas or in the decision to allow anyone to enter a particular member state's territory. It is not rare that some member states are irked by the actions of others to allow foreigners to settle on their own territories. In the spring of 2005, Spain came under sharp criticism from some member states over the Spanish government's decision to grant amnesty to up to 700,000 illegal immigrants present in the country.² Germany and other countries feared that, once regularized, these immigrants would be free to move to other parts of the EU, putting a strain on national labor markets or on the generous social welfare and healthcare programs of some member states. This is an illustration of EU's immigration duality in the globalization age. The EU's philosophy of fostering free movement of people seems to apply mainly to the natural born citizens of its member states. When it comes to immigrants who attain the citizenship of a member state, such ideals are quickly forgotten under the urgency of protecting the social and economic rights of the natives.

Statehood is a salient and attractive proposition for many ethnic groups which see themselves as trapped in foreign lands. The resilience of the state has been, in my view, seriously underestimated. Suter (2003) suggested that the Westphalian system of nation-states has run into problems, but then again, it has never been free of problems or challenges to begin with. I would seriously contradict his view that "the future belongs to

¹ Visa Waiver Program (VWP). *U.S. Department of State*. Retrieved January 21, 2006, from http://www.travel.state.gov/visa/temp/without/without_1990.html#2.

² Spain's immigration amnesty ends. (May 7, 2005). *BBC News*. <http://news.bbc.co.uk/2/hi/europe/4526177.stm>.

globalization” (p. 147). Contrary to the popular belief that globalization has eroded the appeal of the nation-states, these have only grown in numbers. Global governance is a “delusion.”¹ The nation-state gives ethnic groups supreme recognition of historical claims of attachment to a certain territorial space. It relieves them of the stigma of peoples not considered worthy of living in their own lands or of the oppression of the master nation in a forced federation (e.g. the Russians in Soviet Union or the Serbs in Yugoslavia). We need look no farther than Europe to understand that statehood or nationhood is a coveted prize, which pales in comparison to any promised borderless, amorphous global economic order. This invention of Old Europe is still the dream of such ethnic or national groups as the Kosovars or the Basque in Modern Europe. They may never achieve total independence, but Montenegro, the uneasy partner of Serbia in the last living relic of former Yugoslavia, Serbia-Montenegro, is almost certain to achieve this status in a referendum scheduled for 2006.² Elsewhere in the world, Taiwan’s barely veiled attempts to declare independence are evidence of the struggle of a nation to achieve the self-realization of a unit in a system of equals. Tiny East Timor’s success in securing independence from Indonesia, granted under UN patronage (ironically the paramount ideal of world governance for global governance proponents), attests to the allure of statehood, even in today’s globalized world. In Africa, Somaliland’s secession from Somalia’s lawless, failed state³ or the Sahrawis’ continuous confrontation with Moroccan authorities to have Western Sahara recognized as their land⁴ are further testimony to the appeal of the nation-state. These cases breathe life into Hall’s view that the “globalization thesis is desperately provincial in that it ignores the need for much of the world to have a state in the first place” (2000, p. 76).

Before I conclude this section, I would like to recapitulate and give a little nuance to specifics of some of the dimensions under discussion here. Transnational corporations (TNC) are perceived as entities breaking down barriers and locating in various corners of the world with little resistance from the governments of the nation-states in which they operate, facilitated by extensive communication networks through which they can exchange data nearly instantaneously (Scholte, 2003, p. 86). The liberal thinkers on globalization, or the optimists, would have us believe that the business interests of the TNCs are much more powerful than the political considerations of the nation-states for the latter to stand in the way of the former (Robinson, 1998, p. 574). Their commercial interests are overwhelming the capacity of governments to impose restrictions on TNCs since that would spell the end of investments by such companies in the respective countries. In consequence, we are witnessing the erosion of the state’s power to regulate its market as it sees fit and at the same time a weakening of the role of the state as an actor in the global economy (Strange, 2003, p. 131).

¹ Jacques, M. (2004, November 12-18). Strength in numbers: Despite globalization, nation states are not in decline. *The Guardian Weekly*, pp. 6.

² Montenegro picks national symbols. (July 13, 2004). *BBC News*.
<http://news.bbc.co.uk/2/hi/europe/3889355.stm>.

³ Somalia: A state of utter failure. (December 17, 2005). *The Economist*, p. 46.

⁴ Western Sahara: Give it another try. (September 24, 2005). *The Economist*, p. 56.

By the same token, the telecommunications sector, which is inextricably linked to the global markets not only as a product, but also as a means of mediating commercial flows, is seen as a catalyst for the transnational disintegration of borders that normally stand in the way of social or political contact (Rifkin, 2004, p. 191). Specifically, the new digital communications technologies (the microcomputer, the Internet, the World Wide Web, satellite relays, cellular phones, etc.) permeate the social, political, cultural and commercial facets of nation-states, contributing to the formation of transnational networks of interests that are independent of the influence of the nation-state (Castells, 1996, p. 171).

While there is some truth to that claim, the reality is murkier than the optimists tend to believe. It must be conceded to the liberal thinkers that the nation-state, under the pressure of the globalizing forces, has lost some of its powers in regulating and governing over issues that previously had been its exclusive jurisdiction, like the flows of goods and capital, currency fluctuations, pricing, which are now free of the encumbrances of strict governmental controls, especially since they are conducted in real time with the use of advanced micro-computing technologies. The skeptics argue that TNCs and financial institutions, however, do not operate solely in the virtual territory of monetary and stock exchange transactions (Giddens, 2003, p. 63). They need to have the guarantee that their investments and exchanges will be protected legally by the governments of the countries in which they operate (Sil, 2003, p. 286). As Wade (1996, p. 61) indicates, “companies are rooted in national home bases with national regulatory regimes.” It is here that the state shows its resilience, despite the optimists’ argument that it has become an obsolete and cumbersome structure.

Political and social processes are to some extent also subjected to networks of interested groups running above and/or below governmental controls. It may be true that in some domains these interest groups are able to completely bypass the state in achieving their objectives, however, when it comes to the protection of the framework within which their activities unfold, in a territorial sense, the nation-state is the primary guarantor of legal processes (Rifkin, 2004, p. 216). NGOs, human rights groups, educational institutions, grass-roots organizations may each band together for a common goal in various ways, but essentially through some of the same communication networks that the financial institutions and TNCs employ, challenging the state in courts of supraterritorial jurisdiction, like the International Court of Justice, the European Court of Human Rights or the European Court of Justice (the latter with jurisdiction only in the EU). When it comes to the application of court decisions in national legislation, these are often times subject to interpretation from and may be overruled by national courts.

To illustrate the role of the educational system and its impact on national development in the context of new digital technologies, taking my cue from Castells (1996, p. 356), I will contend that the universities are the very first units of innovation that precede any real technological revolution. It is in the labs and testing rooms of universities that pilot projects for the invention of new forms of technologies unfold (e.g., ARPANET, later the Internet, setup in 1969 at UCLA), often times through grants received via various channels from government funds. These innovations regularly end up as patented inventions, later entering the process of mass production for the various

purposes for which they were devised, ultimately benefiting the public at large. Castells calls the creative environments that the universities represent “*milieux of innovation*,” as a telling symbol of their intrinsic vocation for technological progress. In addition, not only are universities centers for innovation, but they are the frontrunners in the promotion of the new technologies, especially ICT, as the students are the ones who are most likely to use communications technologies for academic, research or recreational purposes and thus contribute to the diffusion of ICT outside the walls of their academic institutions (p. 391). It follows, then, that there exists a dual relationship between the educational system and communication technologies, each one feeding off of and supporting the other. The prestige of the nation-state in the international arena is partly dependent upon the quality of technologies developed, tested and implemented by universities. Meanwhile, the state tends to protect its investment in innovation by fostering a climate favorable to research and development and by encouraging the patenting of technologies to reflect their national origin. Since, as mentioned above, the educational system is embedded in the national culture, the nation-state is the direct contributor and, at the same time, the main beneficiary of the advancement of ICT through education. These dynamics ensure that the state enjoys political and cultural continuity by benefiting from a pool of skilled professionals and a technological base that is conducive to national progress.

The significance of the debate between the optimists and the skeptics is that it underlines an evident split between those who believe that the state is an outdated entity and those who think that it is still a powerful actor in the global economy and society. Whichever view is considered, it is evident in one way or another that the state has not lost its relevance in the whirlwinds of the deep economic, political and social transformations that we are now witnessing.

A Globalized or a Globalizing European Union?

At the risk of sounding too ambiguous, for now, I will give a simple answer to the question above: both scenarios apply. This may appear to contradict my own statement in the previous section about the buoyancy of the nation-state in the face of globalization even if it is part of an organization such as the EU. In the remainder of this paper, however, I will explain this apparent contradiction and provide a definitive answer at the end.

The European Union is not the typical territorial construction comparable to any nation-state in existence today. It is a loose assembly of member states which pooled together a degree of their sovereignties so that interests that cannot be resolved by states alone are referred for resolution to the supranational level. It is a unique structure that essentially overarches the relationships among its constituent member states. If we consider again Giddens’ two key elements in the dynamics of globalization, “*local involvements*” and “*interaction across distance*,” the EU does have the attributes of a globalizing force. In the geophysical sense, the EU spans exponential combinations of distances among its distinctive component units. Linking point A with point B with point N in a commonly shared space creates the impression of a globalizing actor, because it breaks down the barriers of the traditional international order by eliminating physical borders among its member states that stay in the way of free movement of people, goods or ser-

vices. In the socio-politico-cultural-economic sense, it stimulates a vast array of interactions that occur within its space. Decisions taken in one location of the union can have an impact on other locales in the shared space because they are filtered and then diffused through the supraterritorial mechanisms imposed over the myriad of segments forming this mosaic-like structure.

But this may simply be construed as regionalization or “Europeanization,” since these manifestations are confined to a number of members in a relatively constrained continental area. If the EU’s influence were only limited to its internal environment, then it would be plausible to call it as such. In fact, the EU has a tremendous ability to project its political values and economic strength outside its frontiers. Talking of EU’s clout in the world, Leonard (2005, p. 54) speaks of a “Eurosphere” which counts no less than 109 countries, including the current member states. Accordingly, apart from the countries that are already scheduled to join it, are in membership talks with it or have been granted candidate status by it, the EU’s zone of influence extends into the Western Balkans, the former Soviet Union, North Africa, the Middle East and Sub-Saharan Africa. Whether offering the prospect of membership, trade agreements, development aid, structural funding, education exchange schemes, even peacekeeping operations, the EU weighs more in the balance of global dynamics than it gets credited for. Taking education as a non-political example, I would point to one of the oldest educational programs that the European Commission has promoted. TEMPUS,¹ set up in 1990 and renewed three times since then, is a program oriented towards cooperation between the EU and the countries of the “Eurosphere” in the field of higher education. Through the projects designed within the program, the EU seeks to grant technical assistance for modernization of the higher education practices (e.g., good university management, quality assurance, etc.) in the partner countries, to develop academic “people-to-people” networks for exchange of expertise, to foster mutual cultural understanding, to provide training and assistance for academics teaching in participating countries and to help universities disseminate knowledge outside their institutions.

This is a socio-cultural facet of the EU’s soft power, but Europe has even more powerful tools at its disposal, particularly in the economic domain, to persuade entities into compliance with its norms, extending its reach across the Atlantic and thwarting the intentions of some of the most recognizable American corporations. When in 2000 a \$45 billion merger between American avionics manufacturers GE and Honeywell was approved by the US Department of Justice’s Anti-Trust Division, none of the executives in the two companies had any inkling that they were violating stringent EU competition regulations. Because GE was financing deals for airplane manufacturers in Europe, the merger had to be approved by the Directorate General for Competition, the antitrust branch of the European Commission. To the surprise of the American CEOs, the then Commissioner for competition, Mario Monti, rejected the alliance over concerns that the two corporations could engage in “bundling” services into securing deals from prospective clients, whereby GE would demand that the contracting European parties agree to

¹ EUROPA-Education and Training-The Tempus programme.

http://europa.eu.int/comm/education/programmes/tempus/index_en.html. Retrieved January 22, 2006.

buy Honeywell components before any deal could be concluded (Reid, 2004, p. 102). In the event, there was no recourse to Monti's decision and what would have been the biggest industrial merger in history went sour before it even took shape.

In another high profile case that highlights the EU's pull in the global market is the €497 million fine imposed on Microsoft in 2004 by the European Commission for the software giant's abuse of its position on the software market. Microsoft was found in breach of EU antitrust laws for bundling the popular Media Player for audio-video files in the Windows operating system package sold in Europe.¹ One year later, the EU deemed that Microsoft had not fully complied with its demands and it warned that it would levy a daily fine of up to €2 million if the latter would fail to take corrective measures.² It must be conceded that to some degree these rulings may have a flavor of political jockeying in that the EU, as a unitary whole, is attempting to position itself as an actor on equal footing with the United States on the world stage. But this significance should not be overstated, as the Commission has not hesitated to penalize European corporations that run afoul of its orders, such as pharmaceutical companies Roche³ and Bayer⁴.

Europe's emergence as a global power does not become obvious solely from a show of its legalistic muscle. For instance, its presence in the form of investments in America's industrial, financial and service markets, is just as prominent as America's presence in Europe. Rifkin (2004) provides an impressive list of the European giants that have gained a significant market share in the US economy in recent years. It is an interesting dynamic that makes one wonder why anti-globalization advocates never pick on Europe's Bertelsmann, the multimedia and publishing giant, as the embodiment of global capitalist imperialism, but prefer to bash McDonalds or Coca-Cola as the icons of economic and cultural homogenization. I think it has to do with the popular identification of America's economic policies as the extension of its politico-military arm which projects the image of a country bent on racking up profits and advantages of many sorts at any costs without showing sensitivity for other actors' interests or grievances. Europe, in turn, is less obtrusive and rarely sparks such visceral reactions because it chooses not to assert its power through military means, but rather through persuasion, negotiation and cooperation. Many people are clueless about the ways in which a corporation like Bertelsmann touches their lives, from the newspapers, magazines or books they read to the movies they watch or video games they play, and have no idea that they are indulging in products promoted by a European seller. But McDonalds is immediately associated in anyone's consciousness with American hegemony, even though local outlets

¹ Microsoft hit by EU record fine. (March 25, 2004). *CNN.com*.

<http://www.cnn.com/2004/BUSINESS/03/24/microsoft.eu/>.

² EU threatens Microsoft with daily fine over competition ruling. (December 22, 2005). *EUBusiness*. <http://www.eubusiness.com/Competition/051222105047.jwvoo8xa>.

³ EU Commission issues fine in citric acid case. (December 5, 2001). *Roche-Corporate Media News*. <http://www.roche.com/media-news-2001-12-05-e.pdf>.

⁴ EU fines likely for Bayer and Chemtura. (December 19, 2005). *Indymedia Cambridge, UK*. <http://www.indymedia.org.uk/en/regions/cambridge/2005/12/330280.html>.

are actually owned and operated locally by Frenchmen, Brazilians, Kenyans, Filipinos, etc.

In political terms, the EU has yet to be as firmly established as a global power as it is in economic realm. It is, however, quietly and gradually emerging as a political actor in world affairs, but it still has a long journey ahead of it. In issues such as environmental protection or enhancing the rule of law, many countries, particularly in the developing world, follow the EU's lead, because they already count on or know that they can look forward to further development funds if they emulate the EU in such matters as the Kyoto Protocol or the International Court of Justice. The promise of financial aid and equitable economic offers are much more enticing proposals than sword brandishing, coercion or bullying which, unfortunately, so often accompany American foreign policy. In some respects, the EU is still tentative in its political endeavors, such as its involvement in the seemingly intractable conflict between the Palestinians and the Israelis, in engaging Russia over its handling of the war in Chechnya or in dealing with Iran's nuclear program because it lacks the unified voice of a common foreign policy. A constitutional treaty would have endowed the EU with more political clout abroad, but it is still possible for it to achieve such status even in the absence of a constitution. Another way in which EU has a political global appeal is its model of pooled sovereignty. As I explained in the previous section, some ethnic groups within Europe seek sovereignty in a system that is moving away from the "classical conception of external sovereignty" (Keohane, 2002, p. 744). In the recent Canadian election campaign, however, the Bloc Quebecois's candidate, Duceppe, referred to the EU as a model that could be emulated by Canada, should Quebec achieve its decades-long aspiration for independence if the French Quebecer separatists have their way in a future referendum.¹

Militarily, the EU is indeed a dwarf on the global stage, but the question is whether it needs to become a military power. The EU's philosophy of spreading and maintaining peace, human rights and the rule of law contradict the doctrine for the use of force. The Yugoslav wars, the Kosovo conflict and the American invasion of Iraq highlighted not only a deep split within the union as to what the appropriate response should have been but also the reluctance to commit troops for combat operations. The EU would rather send forced arms for post-war peacekeeping operations, but usually only with the UN's stamp of approval. It has taken a greater role in its immediate vicinity, as in Macedonia or Bosnia-Herzegovina, but has not ventured farther than that. Obviously, member states of the EU have sent troops to Iraq, but doing so only enforces the power of the states in controlling their means of coercion and particularly highlights the lack of a coherent European common foreign policy. The US is still the uncontested military global power, and the EU, for the time being, can do very little in trying to reign in America's penchant for the use of brute force.

What about the threat globalization poses to EU's vibrancy and continued influence in the world? In recent months, a string of leaders in the EU have rushed to ex-

¹ English debate transcript. (December 16, 2005). CBC-Canada Votes 2006 – Voter Toolkit. http://www.cbc.ca/canadavotes/voterstoolkit/debate_trans.html.

*Quebec came close to separating from Canada in a 1995 hair splitting referendum that caused deep divisions among Quebecers.

pose the looming problems that the EU has to confront in dealing with globalization. A healthy dose of apprehension about global events is a good means to keep policy-makers connected to the outside world and engaged in proposing solutions to the problems of the European public. Ranging in tone from wary to bold, statements on globalization have been on high officials lips since the failed referenda in France and the Netherlands. Fearing that the lack of a constitutional arrangement for Europe would leave it vulnerable to global pressures, leaders have adopted a mix of hand-wringing and morale-boosting approaches to push governments into action. Prime Minister Blair gravely spelled out the need for Europe to have a “vision on how to meet the challenges of globalization” and that “Europe needed to embrace globalization.”¹ The optimistic Danish premier, Anders Fogh Rasmussen saw in globalization an “opportunity for everyone, not a threat” and urged the Europeans to “tackle globalization on the offensive.”² The pensive Commission chief, José Manuel Barroso in a similar vein, highlighted the EU’s potential and pondered that “even the biggest states don’t have the leverage to manage globalization, but the EU can add strength that no individual state shows.”³ Not coincidentally, all these statements came in the preceding days of an EU high level ministerial meeting in the fall of 2005, after a summer which saw Europe’s constitutional future cast into doubt. The textile “war” with China, following a surge in exports from the Asian manufacturer that led to EU’s strict enforcement of the quotas agreed for Chinese garments,⁴ only heightened the anxiety about Europe’s ability to stave off competition from emerging markets and protect its high-paying manufacturing industries from the pressures of remote low-cost manufacturing powerhouses.

This sudden awareness of and urgency about globalization is rather comical and misplaced in channeling efforts to carry out economic programs or reforms. Neither does it do much good for the public’s comfort with the whole notion of radical changes necessary in order to appease a menacing outside force that has no palpable shape or concrete conceptual substance. The problem should not be presented as a helpless Europe pitted against the merciless globalizing world. Europe, after all, is itself a globalizer, as my brief analysis above shows. Instead, the leaders of Europe should focus on the need to change Europe from within, to convince the public that embracing reform is a catalyst for the future sustainability of Europe’s economies and social models, not because China or India loom large on the horizon. In all fairness, China and India should pose some concern for Europe’s leaders. Europe’s governments should keep their guard up when it comes to economic competition from these two countries. But China and India are nowhere near the standards embodied by Europe’s main “rival” targets,

¹ Bilefsky, D. (2005, October 27). Blair says EU must modernize or lose out. *International Herald Tribune*, pp. 1.

² Rasmussen, A.F. (2005, October 25). Europe needs to embrace reform. *International Herald Tribune*, pp. 6.

³ Barroso urges EU unity in the face of globalization. (October 26, 2005). *EUPolitix.com*. <http://www.eupolitix.com>.

⁴ EU warns China over textile export explosion. (March 17, 2005). *EUBusiness*. <http://www.eubusiness.com/Trade/050317153653.lfdoqpv/view?searchterm=china%20textile%20quota>.

the US and a Japan re-awakening from a decade-long economic slump.¹ It is in relation to these partners in the triad that the EU should conceive of its power of innovation, transformation and growth. China and India, together accounting for one third of Earth's population, the first an autocratic political system, the second a large somewhat dysfunctional democracy, have deep internal problems that shadow their rise in the global economy. The biggest of all is poverty, a veritable "political bomb," as Saul called it (2005, p. 206). China's lax enforcement of environmental regulations and atrocious industrial standards, particularly in the mining sector (reminiscent of the disorganization that plagued the Soviet Union) are further obstacles in the long-term sustainability of its economic growth. India's sectarianism undermines the manageability of its democratic structure and though it excels in the high-tech industry, it has not been too successful in establishing a diverse industrial sector that can truly make it a global power. Their positions in the United Nations Conference on Trade and Development's *Trade and Development Index* country ranking illustrate the overall shortcomings of the two "rising powers." China shows up on place 51, well below the lowest ranked EU member, tiny and "poor" Latvia (36), and even below soon-to-be member Bulgaria (42). India is even further down the ranks, at number 90.² As Saul points out, China and India are firm believers in the "rigid defense of the Westphalian system of national sovereignty" (2005, p. 207), having as primary objectives the safeguarding of national political and economic interests which doesn't make them any less vulnerable to globalizing forces than countries in the Western world. Furthermore, they trade more with one another than with the rest of the world (p. 209), in a pattern that resembles the triad dynamics to which I alluded above, which makes them regional, more so than global players.

A Model of Governance for the Rest of the World?

What does all this say about the possibility of other regions to emulate the EU as a model of political and economic governance? Its appeal for the emergence of other regional arrangements is real, but the materialization of such scenarios is riddled with enormous difficulties. In Asia, nationalistic rivalries and the absence of even shared democratic values that underline the European ethos prevent a close rapprochement of the Asian countries in a union similar to the EU. Suffices to mention China's resentment of Japan (the two major players in the region) over the historical interpretation of past events to conclude that Asia lacks an integration duo such as the Franco-German engine was in the EU. In Africa, the dismal economic situation, the chronic poverty and underdevelopment, the continued tribal warfare and the presence of failed states in the Sub-Saharan region, each and all put together, make it impossible to transpose even a remote semblance of a European-style union. Most of Central and South America's profligate, corrupt or repressive governments (with the relatively happy exceptions of Chile and Costa Rica) coupled with guerilla warfare and illicit narcotics production squander any remote opportunity of such a union taking root. It can be safely concluded that the EU is destined to remain a unique integrational masterpiece borne out of

¹ Watts, J. (2005, November 25-December 1). The sun also rises. *The Guardian Weekly*, pp. 17.

² UNCTAD. The Trade and Development Index: Country ranking. Retrieved December 26, 2005 from <http://www.unctad.org/Templates/Page.asp?intItemID=3582&lang=1>.

conditions and circumstances specific to a time and place that cannot be replicated in full elsewhere. However, the EU can still serve as an ideal to which other regions could aspire. And if not fully imitable, at least some of its core values are still universal precepts that, in the right environment, can flourish.

In essence, the EU acts as an attraction pole for those who share its set of ideals and values, but its distinctiveness from past unions attempted in history, is that it does not resort to coercion to spread those ideals and values. Too often, however, Europe is oblivious to its global peaceful power of attraction. If it is to endure as a guiding beacon, I would say that the EU has to look within its borders to find the sources of its malaise and discontent that stay in its way towards an even greater role in the global order. By way of conclusion, if I had to answer the question I posed in the title of this article, I would say that Europe is more of a globalizer than a victim of globalization. This should play to Europe's advantage if its leaders will know how to use the political mechanisms, economic force and the potential of its reservoir of educated and technologically savvy Europeans.

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