

THE EUROPEAN UNION AND THE GLOBAL INTERDEPENDENCE

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This article establishes the conditions in which the interdependencies in the European Union, usually associated with political and economic integration among states, can serve as model to shape the contemporary international system. Based on a diagnosis of current developments, it argues that many factors point to the increase of the interdependencies in the European Union. The redistribution of power at the global level, leading to a deepening interdependence is a basic dimension of the transformation of the international system after the Cold War. The real challenge lies in finding the way in which these interdependencies are managed. The management of global interdependence has never held more urgency than today. Therefore, we should manage efficiently: recognize, plan, implement and anticipate the consequences of global interdependence.

The management of global interdependencies is a necessary path to equilibrium and the public international goods that are so much desired by people. It is important to note that 'global interdependence' is not merely a phrase to describe a relatively recent trend in international relations, it is more than that: it can also be regarded as a developing theoretical and practical framework or research programme for the interpretation, explanation, analysis and comparison of contemporary challenges¹.

The last two decades have proved that the transformation phenomena and processes in the international system could not be stopped. J. Baylis and S. Smith believe that a remarkable aspect of the "world order" reconfiguration can be found in „the highly dense and complex network of contemporary forms of international governance (regimes, international organizations and NGOs)”², which led to a „multilateral management”.

In this context, with a view to making sense of the reconfiguration of the world order, it is essential to take a closer look at two aspects of change and above all at their interplay: globalization and the interdependence. Interdependence

¹ See Vasile Pușcaș, *Managing Global Interdependencies*, Ed. EIKON, Cluj-Napoca, 2010.

² John B. Baylis, Steve Smith, *The Globalization of World Politics*, Second Edition, Oxford University Press, Oxford, 2001, p.640.

represents one of the main characteristics of the contemporary international system and J. S. Nye defined the globalization as ‘world-wide networks of interdependence.’³ Griffiths defines globalization as „a term that refers to the acceleration and intensification of the mechanism, processes and activities that are allegedly promoting global interdependence and, ultimately, global political and economic integration”.⁴

Some say globalization belongs to the international relations of the 20th century and Nye insists, as demonstrated before, that in the 21st century globalization will appear as “networks of interdependence”. This means that globalization „implies a process of growing cross-border connectivity and interdependence within all the key domains of the human activity”.⁵ So, the main characteristics of today’s globalization are intensity, expansion, and the speed of connectivity between all areas of human life.

A consequence of globalization is that states and other organizations exert influence over extended distances; people’s lives can be fundamentally changed, as a result of decisions made only days or moments earlier, thousands of miles away. In other words, interdependence is strong and implies strategic interactions among entities that are not arranged in formal hierarchies. The complex dynamic of this “structured web”⁶ shows the role of the states, markets, institutions, alliances, governmental international organizations, and civil society in the contemporary world.

Globalization as a process of increasing connections between societies and countries occurs across a variety of issue areas. This way, interdependence can be viewed as part of the globalization process. As interdependence between actors increases, the way in which interdependence is managed is also changing. Interdependence no longer requires the creation of empires, as in the 19th century. Today interdependence in the international system is managed through the creation and development of inter-governmental and international institutions such as the European Union.

The European Union provides an excellent laboratory for exploring how the interdependence offers a new space of/for governance, interaction, multilateral cooperation, coordination, managing the global economy, protecting the environment, climate change, energy security, preventing and responding to violent conflict, etc. The European Union has a key role in shaping the globalization and the global interdependence and it has a lot to offer to the development of the global governance.

The EU is the most outstanding example from which some lessons can be drawn.

³ Joseph Nye, *Understanding International Conflicts – An Introduction to Theory and History*, Harper Collins College Publishers, New York, 1993, p.169.

⁴ Martin Griffiths, Terry O’Callaghan, *International Relations: the Key Concepts*, Routledge, London, 2002, p. 126–127.

⁵ Rafael Reuveny, “On forecasting globalization using worlds models”, in George Modelski et al. *Globalization as Evolutionary Process: Modeling Global Change*, Oxford, 2008, p. 380.

⁶ George Modelski, *op.cit.*, p. 425.

The events following the fall of Berlin Wall generated “new patterns of interdependence between Eastern Europe and the West or created new political opportunities for managing pre-existing patterns of interdependence. This in turn defines a new bargaining space in which agreements between Eastern Europe and the West could be reached.”⁷

The meeting between East and West, after 1989, took place in the interdependences courtyard and led to important adjusting issues and also to the need of a new management and adequate strategies. On the other hand, pluralism emerged because of the disappearing of the ideological and political barriers between the two worlds; also the expansion of free market and new globalised culture developed multiple interconnectivities between states and other international actors. These were amongst the most important contributions to the reconfiguration of the global interdependences.

The European Union purpose is to explore interdependence and European integration and the link between the two developments in order to give a coherent and realistic vision to the future development of the member states. “The European model” of economic and political integration has evolved over the last five decades and today needs to be adapted in order to accommodate both an increase in numbers and the changing economic and global circumstances.⁸

This “model” has generated enormous interest around the world. The current global crisis and the EU attempt at resolution of the crisis, reveals the importance of factoring in interdependence

The reality of interdependence at both the European and the global level, underlines the need for a successful strategy with regard to the future of the EU, based on the correct identification of the challenges to be tackled.

The interdependence in the European Union implies different forms of interaction such as political interdependence, economic interdependence, and cultural interdependence. In October 2005, José Manuel Barroso ended his lecture at SAIS, Johns Hopkins University (Washington DC) with the following words: “[...] I would argue that, while independence from the Old World must have seemed so attractive to the original Josiah Bartlett and his friends back in 1776, today it is our interdependence that promises so much.”⁹

With regard to the political interdependence, facing the global problems requires a coordinated effort between the European Union, as an institutional catalyst, and all Member States in a coordinated effort, combining the European Union policies and funds to benefit from globalization via “smart action”.

⁷ Robert O. Keohane, Joseph S. Nye, Stanley Hoffmann, *After the Cold War*, Harvard University Press, Cambridge, 1993, p. 176.

⁸ Benn Steil, “Regional Financial Market Integration: Learning from the European Experience”, in *Tokyo Club Papers*, Vol.12, 1999, p.99.

⁹ José Manuel Barroso, *The EU and the US: A Declaration of Interdependence*, John Hopkins University, Washington, 18 Oct. 2005, see http://www.europa-eu-un.org/articles/fr/article_5158_fr.htm.

The Member State of the EU have committed, in the context of the process of European integration, to the most advanced experiment in sharing sovereignty ever undertaken and are therefore, although sometimes reluctantly, rather more inclined to accept the constraints that come with subscribing to common policies. As a matter of fact, the traditionalist approach in world politics, which sees the world as a consisting of autonomous political units called nation-states having sovereignty over their territories is increasingly being made irrelevant by the realities of global interdependence. For the Member States and their regions, this would represent a further developing of their policies with reference to common objectives and an effort to steer joint activities inter alia through the method of coordination and multilateral cooperation. Under this unprecedented condition, the ability to shape multilateral cooperation or lead collective action in addressing international challenges becomes a central feature of power.

Probably, the most important issue which lies at the core of European Union as a model in managing the complex interdependence is the economic interdependence. The internal market, with free movement of goods, services, capital and people, is one of the cornerstones of EU cooperation.

In 1985, the European Commission proposed a large-scale agenda aiming at abolishing existing barriers to intra-EU trade, and removing obstacles to mobility of capital and labour within the EU which was known as the Single Market Program (SMP). The final aim of the SMP was to promote European growth and competitiveness by promoting further integration.

The world economy is nowadays much more global, the interdependence is increasing, and internal market policies cannot be designed in isolation of the changing global environment.

The European Union is a good example for managing interdependence in a globalized world. Levels of economic interdependence are a good predictor of integration. The construction of European Union was the recognition of the nation-states' self-imposed need to create an international institution to regulate an interdependent global economy. The European Union, which represents 27 sovereign states, as a democratic multinational economic institution is beginning to break down national borders and enveloping a diverse Europe into a single regional market.

In today's interdependent economy of the European Union, states' goals are to create competitive advantages through management of interdependence. Because the globalization is irreversible, the role of the state is being reformed with the pressures produced by new global economies.

New institutions are over taking the role of the state and beginning to govern the world economy. The new power distribution is done through global institutions like the Internal Market of the European Union. The European Union as a multilateral /regional institution acts as an arbitrator or central point of negotiating to provide information to Member States about mutual needs and desires. In addition, while working to create international agreements, must also work to enforce them.

The Union needs to adapt to changes as a multinational actor with a growing number of diverse Member States, as it evolves in global economic integration. In turn the member-states must learn to coexist with regionalism and the single market governance.

The first interest of the state, to preserve its own power, is of foremost importance. State politicians are giving up a portion of their power and control of national sovereignty to the EU to provide a viable economic platform for its constituents. In contrast, smaller regional institutions use the differing policies of nation-states against each other to jockey for the best economic advantage. It is the supranational institution that binds individual Member States together to have collective action against global issues.

At the same time, the objectives of European Internal Market in managing the interdependence should be the development of the relations with the non-member states in order to identify the 'interdependence problems' arising between the European Union and non-member states in different areas.

The proper functioning framework of the European Single Market can become an efficient instrument for dealing with contemporary economic crisis and it can be useful as it provides the channel for multilateral communication. "The original driving force" for creating a European Common Market was based on the idea that if Europeans were to cooperate on matters of trade, they would be less likely to make war. This considered, politics has been a means to develop economic interdependence. As interdependence strengthened, the dynamic of integration generated not only an increase in trade across Europe, but also political discussions centered in Brussels, that developed new projects to further integration.¹⁰

Interdependence no longer mainly concerns trade and investment but involves issues that are central to the basic well-being and even survival of a large part of world population. Meeting these challenges of interdependence through multilateral cooperation and strong coordination is the major goal of the years ahead. In an era of global economic interdependence, a key role of national governments and international institutions is to restructure the global markets to facilitate economic growth.¹¹

Finally, the current world is far more global and interdependent than twenty years ago. The European Union policies do not have just an impact within the European Union but also have consequences over the rest of the world and are also in some way determined by the evolution of the global economy. In this sense, internal market policies can be used as a tool to prepare the European economies to better face globalization before reforms become unavoidable due to pressures from the external world.

¹⁰ Neil Fligstein, *Euro - Clash. The EU, European Identity and the Future of Europe*, Oxford University Press, Oxford, 2008, p. 3.

¹¹ Peter F. Cowhey, John E. Richards, *Institutions and the Restructuring Global Networks*, 2004.

http://ies.berkeley.edu/research/files/SAS04/SAS04-Global_Networks.pdf.

In the area of the cultural interdependence, the European Union represents a model of efficient intercultural communication. Communication is about dialog, collaborative constructions of self, other and the world in the process of making collective decisions. This includes the production and reproduction of individual identities, social knowledge and social structures. Today, both culture and communication have evolved considerably and have become interdependent on one another.

“The White Paper on Intercultural Dialog”, launched by the Council of Europe, stated that Europe’s commitments to multilateralism and the current geopolitical situation call for intensifying the intercultural communication because it “can help overcome the sterile juxtapositions and stereotypes that may flow from such a world view because it emphasizes that in a global environment, marked by migration, growing interdependence and easy access to international media and new communication services like the internet, cultural identities are increasingly complex, they overlap and contain elements from many different sources.”¹²

The cultural interdependence in the European Union means “cultural diversity”: from the historical multiethnic states to the present European Unions’ national states, ethnic homogeneity, and attitudes towards minorities from “inherited enemy” to “partner”; historical and present relations between neighboring peoples; the ability to experiment new forms of governance: new institutions, public policies and rules of conduct; a renewed sense of partnership and ownership of EU action to achieve these objectives; promoting the European Public Space.¹³

Current competitive environments demand “collaborative information sharing and problem solving, cooperative resources sharing, and collective implementation – in short a relationship built on interdependence”.¹⁴ The nature of global interdependence in the world today is such that no problem is just economic, political, cultural, etc. Every problem has all three aspects to it and, by virtue of complicated patterns of actions, reactions and repercussions, involves all actors in the international system. The transformational thesis of globalization argues that global interconnections and interdependence will generate new links and dissolve some existing ones.¹⁵

The debate on the future of EU 2020 strategy” emphasizes the need for a “strategy for convergence and integration” which explicitly recognizes the multiple interdependencies of the EU.¹⁶

¹² Council of Europe, *The White Paper on Intercultural Dialog*, 2008 http://www.coe.int/t/dg4/intercultural/source/white%20paper_final_revised_en.pdf.

¹³ See Jurgen Habermas, *Europe the Faltering Project*, Polity Press, London, 2009.

¹⁴ Christopher A. Bartlett, Sumantra Ghosha, *Managing Across Borders: The Transnational Solution*, Second edition, Harvard Business Press, Cambridge, 2002, p.106.

¹⁵ See David Held et al., *Global Transformation: Politics, Economics and Culture*, Stanford University Press, Stanford, 1999.

¹⁶ Vasile Pușcaș, *op.cit.*, 63–64.

1) Interdependence between Member States, for example, the spillover effects of national activities, especially within the Euro zone.

2) Interdependence between different levels of government - for instance, the multi-layered governance of the EU, Member States, regions, and social partners. Multi-level governance and network analyses are capable of dealing with the interconnectedness and interdependence of institutions and actor-groups within political and regulatory decision-making processes that are typical for EU policy-making.¹⁷

3) Adoption of common policies such as the case of telecommunication policies at the national, supranational and multilateral level. The EU governance and the development of its global role are essential to convince all European citizens and global partners that it will be able to ensure the integration of policies; to manage multiple interdependencies between Member States, market actors and the EU; to make effective decisions; and to set achievable objectives. For example, The “European Economic Recovery Plan” (November 2008) was designed to “exploit synergies and avoid negative spillover effects through coordinated action” and to “shape the EU’s contribution to [the] international response”¹⁸

4) Interdependence at a global level (EU has built „ a dense web of cooperative relations with countries and regions in other parts of the world”).¹⁹

In his “Introduction” to the volume “European Union and New Regionalism”, Mario Teló (2009) affirms that, under the post-crisis conditions, regional groups can contribute to global governance, and “new regionalism” can provide a positive response to the demand for international public goods and can develop a “new multilateralism” at a global level. This scenario involves all types of actors in the management process of global interdependence:

a) National actors are in a better position to adapt and adjust (an agreement between national and regional levels is a beneficial pre-condition for an international regime in providing the opportunity for international organizations to better interact with regional actors);

b) Regional agreements necessitate issue linkages (economic, security, trade, monetary), which are very useful for stabilizing international regimes;

c) The advantages of both integration and interdependence are consistent with domestic political equilibrium and are relevant to national actors’ relatively long-term commitment to regional rules.²⁰

¹⁷ Uwe Wunderlich, *The New Regionalism Framework -An IR Approach to European Integration?*, Paper presented at the Second Pan-European Conference on EU Politics, <http://www.jhubc.it/ecpr-bologna/docs/283.pdf>.

¹⁸ European Commission, *European Economic Recovery Plan* (26 Nov. 2008), [www.http://ec.europa.eu/economy-finance/](http://ec.europa.eu/economy-finance/).

¹⁹ Mario Teló, Ed. By, *European Union and New Regionalism*, Second Edition, Ashgate, Farnham-London, 2009, p. 85.

²⁰ *Ibidem*, p. 13.

With regard to collective action, the coordination of the policies of Member States is required to address systemic challenges at the global or inter-regional level. The involvement of the Member States is an important way to provide a framework for European cooperation for the purpose of increasing public awareness of global interdependence issues;

The Strategy “Europe 2020” is a perspective on globalization and increasing interdependence between states and it may offer a proper understanding of the complex realities of global interdependence. As the realities of global interdependence are complex, attempts which are being made to manage interdependence must follow some principles. Policies must be refocused towards long-term reforms in an ambitious and revamped new strategy. A successful “EU 2020 Strategy” must be built on a good analysis of the constraints facing policy makers in the coming years, and on the correct identification of the challenges to be tackled.

To achieve a sustainable social market economy, a smarter and greener economy, Europe needs to promote key, agreed priorities and to work on delivering them over several years. No single Member State can successfully address these challenges alone. Nor is EU policy simply the addition of 27 national policies. By acting together on a common vision, EU can make the whole more than the sum of its parts. This is an agenda for all Member States, large and small, old and new, highly developed and still developing: the enlarged European Union consists of different levels of development and therefore different needs. But the “EU 2020” vision is relevant to all of them and can be adapted to different starting points and different national specificities so as to promote growth for all.

The European Union is now focusing on making a successful recovery from the crisis, but due consideration must be given to the context of globalization in order to make a successful transition into the new international system. The reality of interdependence at both the European and the global level, underlines the need for a successful strategy with regard to the future of the EU, based on the correct identification of the challenges to be tackled.

According to Checkel and Katzenstein, “The model that the EU has crystallized in the past 50 years has been firstly, to reach an agreement on common set of values and principles and then structure the institutions to enforce the rules and values accordingly”.²¹ I consider this to be a valuable approach when dealing with differences. The EU’s experience is important. Now, the question is: Is the European Union continuously adapting to new circumstances? And are we equipped with the right set of values and policy tools? I think we need further political entrepreneurial thinking and investment from European stakeholders focused on people, ideas, resources, expertise, and money. We have to work together for a united Europe or we risk becoming non-players in the global strategic paradigm.

²¹ Jeffrey T. Checkel, Peter J. Katzenstein (eds), (2009), *European Identity*, Cambridge UP, Cambridge, p. 92.

The European Union has grown from the convictions of the immediate post-war generation of leaders in Western Europe that only integration could bring the prospect of a stable peace and prosperity. The European integration process focused until Maastricht and Amsterdam on the internal mechanisms, for example developing the internal market. As history moved on after the fall of the Iron Curtain, the ideas of freedom and democracy, as well as the urge to return to Europe grew stronger.

The European Union's integrative model and (global) capacity and EU regulatory expertise are valuable for the process of regulating and negotiating different and divergent interests in favor of regional arrangements and international relations.²² Europe's success as a global actor and potential model for other regions has generated vivid debates in both academic and political circles. In our opinion, a fundamental ingredient of its success has been the forging of a new approach to power and international issues: "most power" approach.²³

If we want the European Union to shape up to become a central pole of power and cooperation, we need to face our unexploited potential as²⁴:

- ✓ Move ahead with the European integration of the region. "New regionalism" can be a pillar of a new multilateral world order.
- ✓ A coherent and courageous global vision for the European Union. East and West, new and old will have to forge new political bonds requiring considerable adjustments.
- ✓ Today, the European Union encompasses 27 countries with a half billion citizens living in a Europe that has never been as free, as secure and as integrated as now. The Member States have experience of integrating an essential element of globalisation; they know transnational management of relations for all categories of actors in the international relations.
- ✓ The European Union can become a real player on the world stage because of its wide-ranging and comprehensive set of "smart power" tools.
- ✓ Political dialogue to take the best decisions and to set up the right frameworks for sustained progress.
- ✓ Building a foreign policy fit for the problems of the 21st century.
- ✓ Bruxelles must reinforce the cooperation with the United States, the traditional partner of the EU, and intensify efforts to build strategic relationships with the rising and responsible powers from North and South, East and West, and use our proven skills as negotiators more often and more effectively.

²² Commission Communication, *Global Europe: Competing the World – Com*, 67, 4 October, 2006.

²³ Carl Bildt, *The European Union's Soft Power: A Force to Change*, 24 Oct. 2007, <http://www.regeringen.se/sb/d/8575/a/90922>.

²⁴ Vasile Pușcaș, *op.cit.*, p.144–147.

- ✓ We have to define the European interest for today's world.
- ✓ Europe is known in the world for promoting modern concepts of governance. We should continue to reform governance successfully at home in order to enhance a similar change at global level.
- ✓ The European Union must retain the values it stand for in the world, but also be open for new ideas and be ever ready to act together with its global partners.

An active worldwide role of the European Union is a precondition for moving all of these issues in the direction we all seek – to transform the European Union into a real global actor based on strategic investments for our future, in other words, into a successful player in the age of globalization and interdependence.

Conclusions:

- Interdependence is not a question which requires a yes or no answer; it is a matter of degree (symmetrical or asymmetrical variables), and connects both domestic and foreign policies in medium- and long- term government strategies. Interdependence generates opportunities, but taking advantage of such opportunities can create difficulties in managing the realities of the global interdependence.
- Managing global interdependencies, whether economic, political, cultural, or social, aims to develop multilateralism. This means that the world must be seen as a web system consisting of the subsystems of culture, economy and polity which, though they complement one another.
- The European Union stands at the crossroads between the globalization and the interdependence. In principle, the European Union is equipped with the right baggage of values and tools to make a real difference in strengthening the cooperation and coordination between its policies and strategies. In practice, however, the ability to manage all these challenges, at a time when its economic growth as well as its political and social cohesion are wavering, is under question, One solution may come when the afore-mentioned recommendations will be translated into the practice.
- The European interest needs to be “specifically defined, strongly articulated, stoutly defended, and vigorously promoted, if Europe is to offer the right platform for the future”.²⁵ The EU must deliver a vision on how a global Europe is adapting to new needs, protecting the needs and interests of its citizens, ensuring prosperity, solidarity and security for the next generations as well as for the present generation. In the future we can and we should shape a more strategic approach for European interests using smart power.

²⁵ European Commission, *The European Interest: Succeeding in the Age of Globalization* (2007), <http://www.eur-lex.europa.eu/LexUriServ/site/en/>.

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- Taking the case of European integration, it can be concluded that the new stage in the development of the future international system will be characterized by a new set of rules in which the “EU is the first harbinger”.
 - The EU’s power comes from its common values, or norms, namely the principles of democracy, the rule of law, social justice, human rights and the commitment to a market economy, as well as social solidarity, sustainable development and the fight against discrimination. I consider these elements to be the corner stones of the international identity of the European Union. For each of these fundamental values we have a coherent institutional system to watch over the enforcement of these rules. Its approach, as an international actor, should use this power as a source of influence in its relations with its neighbors and around the globe. The potential of EU’s soft power in the future is to be taken in consideration, for example, in the EU’s foreign policy, enlargement policy, neighborhood policy and in its relations with other important powers in the international system. It is the key to manage the global interdependence.