

The EU in the World Economy

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Outline of the topic

Ever since its creation, the EU's economic weight has made it an influential player in the global economy. The EU-27 accounts for 19 percent of global trade and is one of the largest hosts and sources of foreign direct investments. Internal coordination of foreign economic policies has meant that it could at least partially translate its economic weight into influence in global economic relations. In both trade and competition policy, the EU has been able to speak with "one voice" in dealing with third countries since the 1960s. For the last decade, moreover, increased internal coordination in the field of monetary policy (in particular due to the launch of a common currency and the creation of the European Central Bank) has increased the leverage of the EU in the international monetary system. Most recently, financial regulators' reactions to financial crises have sparked a debate on the need for additional internal coordination within the EU as to tackling market imbalances.

These key facts illustrate the substantive importance of research on the EU as an actor in international economic relations. It is no wonder, hence, that a substantial literature has been written on the EU's foreign economic policies. Some of the questions that have driven research on this topic are: is the EU a "norm exporter" in the area of economic policy and, if so, what are the important drivers? Alternatively, could we frame the EU as a "conflicted power" in foreign economic policy as its conduct is based on "replication" of internal policies and of "domination" (Meunier and Nicolaidis 2006)? Or has economic policy become the EU's main instrument for power politics where it shapes foreign relations with developing countries on the basis of economic conditionality?

This workshop aims to push the research frontier as to what explains the EU's role in the global economy. In particular, current research on the EU's foreign economic relations is fragmented, with authors concentrating on one of the many policy fields in which the EU is active in its foreign economic relations. These fields include (but are not restricted to): trade

policy, monetary policy, competition policy, global taxation issues, financial markets and financial stability, and development policy. Only little attention has been paid to the interactions between these various policy fields. The workshop attempts to capture the nature of the EU as a key player in the world economy by overcoming this shortcoming in the literature. Across the various policy fields, the workshop aims to cover the following major topics:

1. *EU preference formation on foreign economic policies*: how much influence do private actors have in shaping EU external economic policies? What role does the institutional setting (access, multi-level system) and the division of competencies between the member states and the Community institutions play in the process of preference formation? What roles do national and supranational interests play (geopolitical vs. economic objectives)? How do norms influence the EU's preferences?
2. *EU bargaining strategies and tactics in international economic negotiations*: why would the EU opt for bilateral relations to resolve some issues, and for regional and multilateral economic forums to resolve others? What tactics does the EU use to achieve its objectives in international economic negotiations? How does the EU's negotiating behaviour compare to the one of other entities in the global economy? How is the EU perceived by other actors?
3. *EU bargaining power in international economic negotiations*: how much power does the EU have in the world economy? Does the EU's bargaining power vary from one issue area to the next?
4. *The EU in international economic organizations*: what role does the EU play in international economic organizations, such as the World Trade Organization? How does it interact with other international economic organizations, standard-setting organizations such as Codex Alimentarius and the Basle Committee on Banking Supervision, and plurilateral clubs such as the G7/G8?

Relation to existing research

Current research on the EU in the world economy is very fragmented. Quite extensive research has been carried out on some aspects of the EU's trade (see, for example, Elsig 2002; Young 2002; Meunier 2005; Dür 2006; Dür and Zimmermann 2007), international competition policy (Damro 2006, 2007) and development policy (Carbone 2007). Fewer studies have been written on the EU and international monetary relations (Smaghi 2004) and

the governance of international financial markets. The aim of the workshop is to allow for cross-fertilization across these areas of the EU's international economic relations by bringing together specialists on the various policy fields. Up to now, only few attempts have been made at bringing together studies of different aspects of the EU's external economic relations (for exceptions, see Dijck and Faber 2000; Orbie 2008).

Type of paper

We are interested in original and innovative contributions to explain EU foreign economic policies, whether they approach the topic from an EU-studies perspective, an International Relations perspective, or an International Political Economy perspective. We welcome papers that cover theoretical and methodological aspects in the study of EU foreign economic relations. Particularly, however, we seek to attract papers that offer novel (theory-guided) empirical work. This empirical work can be in the form of single case studies, comparative case-studies, or large-N quantitative analyses. Ideally, we hope to attract at least a few papers that directly compare different aspects of the EU's foreign economic policies.

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Biographical notes

Dr Andreas Dür is a lecturer in the School of Politics and International Relations at University College Dublin. His research is concerned with international economic relations, European integration, and interest groups. He has published articles in journals such as *Comparative Political Studies*, *European Journal of International Relations*, *International Studies Quarterly*, and the *Journal of Common Market Studies*. He is the co-editor of a special issue of *JCMS* on the EU in international trade negotiations.

Dr Manfred Elsig is a senior research fellow at the World Trade Institute Bern and a visiting lecturer at the Graduate Institute of International and Development Studies, Geneva. His current research interests include EU trade policy, global economic institutions and global political economy. Recent publications include "The EU's Choice of Regulatory Venues for Trade Negotiations: A Tale of Agency Power?" *Journal of Common Market Studies* (2007) and "The World Trade Organization's Legitimacy Crisis: What Does the Beast Look Like?" *Journal of World Trade* (2007).