***Rising States, Rising Institutions***

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**EUROPE: QUIETLY RISING SUPERPOWER IN A BIPOLAR WORLD**

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It is fashionable to view the global system in the 21st century as dominated by the US, China and India. How many times have we read that “the most important relationship in the 21st century is that between Washington and Beijing”? [[2]](#footnote-2) Or that the “rise of the rest” is the great phenomenon of our time?[[3]](#footnote-3) Europe’s reputation for sluggish economic and demographic growth and weak military forces has convinced most foreign analysts that the future belongs to Asia and the US.[[4]](#footnote-4) Some analysts concede that the 21st century could see four superpowers, but only if Europe unifies significantly more than it has, so as to become something resembling a nation-state. As Kissinger is (probably apocryphally) said to have asked over a quarter century ago: “If I want to call Europe, what telephone number do I dial?” The US National Intelligence Council Global Trends Report predicted that in 2050 Europe would be “a hobbled giant distracted by internal bickering and competing national agendas and (even) less able to translate its economic clout into global influence.”[[5]](#footnote-5)Mark Leonard notes: “The conventional wisdom is that Europe’s hour has come and gone. Its lack of visions, divisions, obsession with legal frameworks, unwillingness to project military power, and sclerotic economy are contrasted with a United States. We are told that if the American Empire is set to dominate the next fifty years, it is the Chinese and Indians who will take over the baton and dominate the second half of the century.”[[6]](#footnote-6) The fundamental basis of this claim is demographic and economic. A Brookings Institution study predicts the median age in Europe will increase from 37.7 years old in 2003 to 52.3 years old by 2050, whereas the median age of Americans will rise to only 35.4 years old—with negative effects on Europe’s productivity, growth, fiscal stability, and so on. Without a change in the number of workers, economic growth is predicted to halve.[[7]](#footnote-7) In sum, the “Old Continent” is a spent geopolitical force in the contemporary world.

This pessimistic prognosis of European decline is based, at its heart, on a traditional realist view of the world, in which countries compete in zero-sum conflict by mobilizing coercive power resources. Such resources stem ultimately from gross demographic and economic power, which are translated into relative military advantage, which in turn dictate the relative position of countries in a global hierarchy of power. Possession of such power capabilities permits countries to get what they want. Governments react by exploiting concentrations of power in their favor, and balancing against concentrations of power that run against them. Immediately upon the collapse of the Soviet Union, realists predicted that Europeans and Americans, lacking a common Soviet threat to unite them, would drift apart: the continent would become unruly, NATO and EU cooperation would collapse, and relations between the US and the EU would become tense.[[8]](#footnote-8) The Iraq crisis seemed to confirm this prognosis, and many spoke of European “balancing”—perhaps “soft” rather than hard—against the US. For Europe to reestablish itself as a major global force, many believe that serious European defense cooperation and a European defense buildup would be required.[[9]](#footnote-9) Some have argued for a European army also as a prudent hedging strategy against a wayward US that might abandon Europe or act at cross purposes.[[10]](#footnote-10)

Few predictions in social science are as clear as these; and few have been so clearly disconfirmed. Since 1989 Europe and the EU have enjoyed two decades of extraordinary success. The continent has been pacified, the EU’s distinctive instruments of civilian influence have seemed to gain in utility vis-à-vis hard military power, and the US and Europe have drawn closer. Europe has established itself as the world’s “second” military power, with 50,000-100,000 combat troops active throughout the globe for most of the past two decades—working almost always in close cooperation with the US. During the same period, the EU has enjoyed an extraordinary rise. Among other things, it completed the single market, established a single currency, created a zone without internal frontiers (“Schengen”), launched common defense, foreign and internal security policies, promulgated a constitution (that is now finally close to passage), and, most importantly, expanded from 12 to 27 members, with a half dozen more on the list. It has emerged as the most ambitious and successful international organization of all time, pioneering institutional practices far in advance of anything viewed elsewhere.

The result? Today there are two global superpowers. One is the United States; the other is Europe. European nations, singly and collectively, are the only other states in the world today, besides the US, to exert global influence across the full spectrum from “hard” to “soft” power. In particular, European countries possess, singly and collectively, an unmatched range of civilian instruments for international influence, including EU enlargement, neighborhood policy, trade, foreign aid, support for multilateral institutions and international law, and the power of European values. No country or institution can more effectively wield such tools. Insofar as the term retains any meaning, the world is *bipolar,* and is likely to remain so over the foreseeable future, as the world becomes more interdependent, networked, and free of overt rivalry. And yet, again in contrast to realist predictions, the world has also become more peaceful. Europe is the “Quiet Superpower.”

To understand precisely why realist predictions about Europe’s decline have not come to pass, it is helpful to adopt a liberal theory of international relations. By “liberal” is not meant a theory that stresses the role of international law, institutions or utopian ideals; nor a commitment to left-of-center American politics; nor an unbounded belief in *laissez faire* economics. What is meant instead is a theoretical approach to analyzing international relations that privileges the varied underlying national interests—“state preferences”—that states bring to world politics, and which are transmitted from society to decision-makers via domestic politics, societal interdependence, and globalization. In the liberal view, these varied social pressures are the most fundamental cause of foreign policy behavior. From this perspective, (zero-sum) security rivalry, military force and power balancing are not ubiquitous conditions, but are only a few among a number of possible circumstances, but are indeed rather rare; many international interactions are in fact positive-sum, in which the rising influence of more than one country or region are mutually supportive.[[11]](#footnote-11) Liberals argue that the biggest change over the past twenty years has been the underlying trend toward economic interdependence, democracy and ideological homogeneity in the developed world, which has led to a convergence of interest among most great powers. This trend toward “positive sum” interactions has created enormous advantages for Europe, in particular establishing an advantageous environment for the deployment of the “civilian power” instruments in which Europe enjoys a comparative advantage. Europe’s great successes, notably the spread of European integration in its region and of multilateral norms worldwide—are evidence of this. This beneficial trend for Europe helps explain why—in contrast to realist predictions—the European Union has *risen* in influence over the past two decades and is likely to continue to do so.

This paper elaborates the fundamental thesis that Europe is one of the world’s two superpowers, in certain respects preeminent and in certain respects “rising.” It does so by advancing four concrete claims. First, Europe is the world’s second military power, possessing the great majority of non-American, globally deployable troops. Second Europe is in many respects a preeminent power in deploying “civilian” and “soft” power instruments of international influence. Third, the rising trend in EU civilian and military power capacity is likely to increase in the medium-term future, because of the weakness of competitors, the underlying *per capita* wealth Europe, and the advantageous alliance portfolio Europe possesses. Fourth, it is unnecessary for Europe to unify or centralize far beyond what it currently has in order to reap many of these benefits. In many ways, Europe’s current structure is optimally suited to project power in the contemporary global system.

**Why Europe is the World’s Second Military Power**

Europe is a far more formidable military power than most observers acknowledge. The comparative advantage of Europe, as we shall see below, lies in the projection of influence via economic and civilian instruments. Many observers have written off European military power entirely. Robert Kagan has argued that Europe “lost [its] strategic centrality after the Cold War ended [because] outside of Europe […] the ability of European powers, individually or collectively, to project decisive force into regions of conflict beyond the continent (is) negligible.”[[12]](#footnote-12) Yet even in classical military terms, European countries constitute a global force matched only by the US. Comparisons with the US, which accounts for 43% of global military spending, widespread criticism (much of it justified) of inefficiencies in Europe’s decentralized military establishment, and Europe’s disinclination to fund or deploy military force on the scale the US does, give European militaries a bad reputation, disguising Europe’s true military prowess. Conservative criticism, pithily summarized in Robert Kagan’s oft-cited *bon mot* “Americans are from Mars, Europeans are from Venus,” is often believed even in Europe.[[13]](#footnote-13)

Yet rhetoric is misleading. We too easily forget that Europe accounts for 21% of the world’s military spending, compared to 5% for China, 3% for Russia, 2% for India, 1.5% for Brazil, Taken together, France and Britain spend over 60% more on defense than China.[[14]](#footnote-14) These forces are among the best-equipped in the world. Europe contains two nuclear powers, Britain and France, each of which has a long-range strategic nuclear arsenal substantially larger than that of China or India.[[15]](#footnote-15) The combined European air forces are substantially larger and considerably more modern than their Chinese counterpart.[[16]](#footnote-16) Four European nations possess aircraft carriers, while China and India possess one between them. The production of the world’s most advanced weapons is dominated by US and European firms.

Europeans do not just equip forces; they use them. European countries have had 50,000-100,000 troops stationed in combat roles outside of their home country for most of the past decade. They provide the bulk of non-American troops in global operations in the world. Criticism of Europeans for their failure to do more in Iraq and Afghanistan might give one the impression that only Americans are engaged there. In fact 24 allied countries, of which 21 are European, are involved in Afghanistan. In Operation Enduring Freedom, 40% of the 1,327 military fatalities to date have been non-American and nearly a third European.[[17]](#footnote-17) For many allies, this implies a per capita or per soldier casualty rate higher than the US. Europeans not only fight and die, they lead. European forces are directed much more toward global operations. If not led by the US, military interventions and peacekeeping operations tend to be European-led. Since the US has generally refused to lead UN peacekeeping operations, this task has often fallen to Europeans.

Over the past two decades, Europe-led diplomacy or intervention has helped stabilize governments in places as disparate as Sierra Leone, Lebanon, the Congo, Ivory Coast, Chad and Afghanistan. Some of it is used for brief high-intensity military activity, as in Iraq. Europe does possess, via the French, British and a few smaller armies, significant regional high-intensity warfare capability, though it sometimes lacks the ability to swiftly and effectively deploy such forces abroad. Studies have concluded that Europe-led peacekeeping operations are more efficiently and effectively run than American operations.[[18]](#footnote-18)

***Table One: Intervention since the End of the Cold War***

*US-led Operations:* Panama (1989), Iraq (1991), Somalia (1992), Haiti (1994), Macedonia (1993-4), Bosnia (1995-6), Iraq (1998), Kosovo (1999), Afghanistan (2001), Iraq (2003).

*Europe-led Operations:* Mozambique (1993), Rwanda (1994), Bosnia (1994), Albania (1997), Kosovo (1999), Sierra Leone (2000), Macedonia (2001), Ivory Coast (2002-4), Afghanistan (2001-present), Congo (2003), Chad (2005-present), Sudan (2005), Aceh (2005/2006), Lebanon (2006), Georgia (2008-present), Somalia (2009-present)

No region or country, save the US, possesses a portfolio of military power capabilities and a willingness to use them comparable to those of Europe. Nor is any likely to challenge European preeminence soon. Consider China. The People’s Liberation Army remains essentially a landlocked, labor-intensive force. While there have been recent rumblings about the future threat of a Chinese navy, there is no evidence of a serious regional, let alone global, power projection capability. Instead it is focused on the difficult task of projecting power a few hundred miles offshore in the case of a crisis in Taiwan—a unique piece of territory that is, after all, so close to China as to be considered part of it. China does possess modest anti-satellite, anti-naval and cyber-space capacity, as well as nuclear missiles, and some of these capacities might be considered on par, militarily, with a single European middle power such as Britain, France or Italy. It cannot compete with the continent as a whole.[[19]](#footnote-19) Russia, with far greater military assets, does little more than project military power into renegade provinces like Chechnya, or several hundred miles over the border into former Soviet state of Georgia; it has demonstrated neither capacity nor will to do more. By contrast, despite substantial wastage, European militaries are genuinely deployable—and deployed--worldwide. It is a record by any country except the US.

**Why Europe Is the World’s Preeminent Civilian Superpower**

While Europe possesses hard power, its comparative advantage lies in projecting civilian forms of power. In contrast to the US, Europe is a “quiet” superpower specializing in civilian power instruments based on economic influence, international law, “smart” and “soft power.”[[20]](#footnote-20) Europe today is more effective at projecting civilian power globally than any other state or non-state actor. Europeans have demonstrated, contra Robert Kagan, that such power can be extremely influential. [[21]](#footnote-21) Some of these instruments are wielded by a unified Europe, some by European governments acting in loose coordination, some by European governments acting unilaterally.

***EU Enlargement:***Accession to the EU is the single most powerful policy instrument Europe possesses and, arguably, the most cost-effective instrument for spreading peace and security that any Western country has wielded since the end of the Cold War. Since 1989, Europe’s “power of attraction” has helped to stabilize the polities and economies of over a dozen neighboring countries.[[22]](#footnote-22) There is substantial evidence that enlargement creates a focal point and set of incentives around which moderate domestic forces have organized.[[23]](#footnote-23) The effects are visible well beyond the twelve new members who have joined since that date, with powerful influence to date in Croatia, Serbia, Montenegro, Albania, Macedonia, Turkey, and Ukraine. There is reason to believe that since the end of the Cold War, EU enlargement has had far more impact—and in a less provocative way—than NATO enlargement. European leaders continue to pursue EU enlargement in the face of low—in some countries single-digit or low double-digit—public opinion support. The US, China, India, Japan and other major powers enjoy no comparably powerful instruments for projecting regional influence.

***Neighborhood Policy:*** Europe pursues an active “neighborhood policy,” intervening diplomatically to resolve conflicts and promote political and economic reform, or policy reversals, in its neighborhood, backed by European economic, financial, legal and military might. European diplomats have taken the lead in recent successful diplomatic initiatives with regard to many neighboring countries, including Ukraine, Turkey, Macedonia, Montenegro, Morocco, Serbia, Albania and Croatia. Even where membership is only a distant possibility, as with Ukraine or Albania, or a non-existent one, as with Morocco, there is evidence that EU initiatives have had an immediate impact. Quiet EU diplomacy toward Morocco, backed by trade, immigration, security and human rights ties, has been credited with encouraging political and economic reform in that country. Yet another is European diplomatic intervention to avert war between Serbia and Montenegro. Still another is the sustained policy, over generations, of engaging Turkey. The EU has signed association and free trade arrangements with many countries in the region. As compared to typical US policies—one thinks of US efforts to extend NATO to Georgia or to democratize Iraq, both efforts viewed with some skepticism by European governments—these policies are slower, more incremental, more proactive than reactive. It might be argued that they are also more realistic.

***Diplomatic Engagement:*** European diplomatic engagement extends outside of the scope of its formal EU neighborhood policy. One example is the coordinated effort by individual European countries, notably Britain, France and Germany, with respect to Libya, whose policy toward the West has reversed over the past 15 years—a shift that predates 9/11 and any policy reversal on the part of the US. Europe, not the US, turned Libya around. For most of the George W. Bush administration, the European trio (UK, France and Germany) provided the only Western diplomatic link to the government in Teheran. Europeans have spearheaded various initiatives with regard to the Israeli-Palestine conflict. European governments have recently been active in resolving the Georgian crisis.

***Multilateralism, International Law, and Functional Issues:***European governments are the strongest and most consistent supporters of international law and institutions across the board. The EU is the single largest financial contributor to the UN system. Europeans fund 38% of the UN's regular budget, more than two-fifths of UN peacekeeping operations and about one-half of all UN Member States' contributions to UN funds and programs[[24]](#footnote-24). EU member states are also signatories of almost all international treaties currently in force[[25]](#footnote-25).

***Trade, Investment and Finance:***In trade and investment affairs, Europe is unquestionably a genuine global economic superpower at least on par with the United States and far ahead of countries such as China or India. In some respects it is better able to exploit its economic position. The motive force behind EU enlargement or neighborhood policy is not primarily an idealistic desire to be part of “Europe”, but the enormous economic benefits of membership in (or association with) the EU. With the exception of Greece, new member states since Spain and Portugal have grown 6-10% in the first years after their accession. Europe dominates its neighborhood, trading more with each Middle Eastern country (except Jordan), and nearly all African countries, than any other single trading partner.

Europe’s continuing economic influence extends to the global level. Even excluding intra-regional trade, the EU is the largest exporter and importer in the world. Germany alone exports roughly as much as China every year, and its goods have far more value added. Of the top nine exporters in the world, five are European: Germany, France, Italy, the UK and the Netherlands.[[26]](#footnote-26) Europe trades more with China than the US, and its bilateral balance is stronger.[[27]](#footnote-27) Yet trade statistics actually understate the importance of European centrality in the world economy. They do not measure intra-firm trade, investment and R&D: increasingly the true drivers of modern international economic activity.

Often trade statistics are cited in the US to illustrate a shift from Atlantic to Pacific economic activity. But if we look not to trade but to investment, US affiliate sales, foreign assets and R&D—far more profound measures of modern economic activity—transatlantic economic exchange remains far more robust than transpacific exchange.[[28]](#footnote-28) Europe accounted for over 57% of total US foreign direct investment from 2000 to 2008, while total US investment to all the BRICs was only 14%. US firms invested US$ 26.4 billion in China between 2000 and mid-2008, less than US investment in Belgium and less than half of US investment in Ireland. In 2007, corporate Europe accounted for 71% of total foreign direct investment in the US in 2007 (US$ 2.1 trillion). US companies deliver goods and services to various markets in Europe mainly via affiliate sales rather than exports. US foreign affiliate sales in Europe totaled US$ 2.1 trillion in 2006, 9 times the value of US exports to Europe. US foreign affiliates sold more than US$ 2.1 trillion in Europe in 2006, half of the global total and roughly the double of comparable sales in the Asia/Pacific region. US affiliate sale in China in 2006 were US$ 112 billion on par with sales in Belgium (US$ 106 billion) and far below those in Germany (US$ 327 billion) or France (US$ 198 billion). Europe accounted for 62% of total foreign assets of corporate America. US assets in the UK alone totaled US$ 2.8 trillion in 2006, roughly a quarter of the global total and more than total US assets in Asia, South America, Africa and the Middle East combined. Europe is far and away the most important global R&D destination for US companies. In 2006, US affiliates sunk US$18.6 billion on research and development in Europe, or nearly 65% of total R&D expenditures. Measured in these sophisticated terms, Europe remains the global partner of choice for the US.

The EU’s common currency, the Euro, is the only serious alternative to the dollar as a global reserve currency. Though the Euro will not supplant the dollar anytime soon, due primarily to first-mover advantages of the dollar and the greater depth of American capital markets, it has established an important secondary position.[[29]](#footnote-29) At the end of 2008, some 45 percent of international debt securities were denominated in dollars compared to 32 percent in Euros. The dollar was used in 86 percent of all foreign exchange transactions compared to 38 percent in which the Euro was used and 66 countries used the dollar as their exchange-rate anchor, compared with 27 that used Euro. The EU and the European Central Bank also play a key role in financial stabilization efforts even outside the Euro zone.[[30]](#footnote-30) The economic crisis may have strengthened the Euro’s prospects as an international currency by driving home the fact that the Euro area can be a safe harbor in a financial storm. The European Central Bank has more capacity to act as a lender of last resort than, any other national European bank would ever have.

This unique economic position translates into political influence. European policy on tariffs and other basic trade issues is unified, due to the EU’s status as a customs union. The EU negotiates as a bloc at the WTO.[[31]](#footnote-31) While it is true that developing countries are playing a stronger role, and the trading world is slowly growing more multipolar, the EU and the US remain dominant forces within the WTO. China, by contrast, has accommodated itself in order to enter the trading system on Western terms.[[32]](#footnote-32) The Common Agricultural Policy (CAP), for better or worse, is probably the most influential single trade policy in the world today—and Europeans have been tenaciously successful in defending it. Trade also serves as a foundation for effective EU enlargement and neighborhood policies.

***Aid:***Even with a recent increase in US aid, in 2007 European Union member states and the European Commission together dispensed about 50% of the world’s foreign aid while the US share amounted to about 20%.[[33]](#footnote-33) Europe is second to none at delivering development services. Contrary to popular belief, the EU even exceeded the US regarding the disbursement of private aid flows. In 2007, EU citizens sent US$ 170,197 millionabroad compared to US$ 105,282 millionfrom US citizens. Both the EU and the US have contributed about 33% of all foreign aid delivered to Afghanistan over the last 5 years. Most aid to the Palestinians has come from Europe. It is understood that no Middle East settlement would be viable without European aid to areas to which the US is politically unwilling to provide resource.

***Political and Social Values:*** Global polling and the practice of governments both suggest that European social and political models are more attractive worldwide than US alternatives. While the US remains a salient symbol of democracy and free markets in countries that have neither, as well as in a handful of specific outlier countries (India, Poland, Philippines), in most countries European models are considered more attractive. This is because most publics around the world favor generous social welfare and health policies, parliamentary government, adherence to international human rights standards, and a smaller role for money in politics, all associated with Europe, rather than libertarian social policies and incomplete health coverage, separation of powers systems, idiosyncratic national human rights definitions without international oversight, and a wide role for money in politics, associated with the US.[[34]](#footnote-34) This is why very few countries in the “third wave” of democracies have copied major elements of the US Constitution. Instead major constitutional-drafters in the last two generations have tended to model their work on the German, South African, or Canadian constitutions. The one institutional exception to this rule proves it: The one distinctively American practice that has spread throughout the world since the end of World War II is that of constitutional “judicial review” in accordance with a written bill of rights. Yet, ironically, the US is now the leading developed-country opponent of the nearly universal form this institution has taken in the modern world, namely the incorporation of international standards of human rights and humanitarian law into national constitutions.[[35]](#footnote-35) This has placed it alongside countries such as China, Somalia, Russia, and Saudi Arabia in debates over global legal values.

In many of these areas, Europe enjoys a clear comparative advantage not just over China, India and other “rising” powers but in most respects over the United States. It deserves to be considered a civilian superpower. Taken together with its military activities, these impressive civilian capabilities demonstrate that Europe is a full-spectrum power, wielding all types of instruments for regional and global influence.

**Why Europe’s Global Influence Is On the Rise**

Of course European “civilian power” lies ultimately in its highly productive economy. Policies like EU enlargement and associating agreements with neighboring states are attractive to others because of the massive pull of the European economy. Aid, education, trade, the European social model, and other aspects of Europe’s foreign policy portfolio are funded by its highly productive economy. This ultimate dependence on economic means has led many to ask whether sluggish demographic and economic growth rates will undermine Europe’s role in the world. The assessment of the US National Intelligence Council is typical. The NIC has suggested, “The drop-off in working-age population will prove a severe test for Europe’s social welfare model, a foundation stone of Western Europe’s political cohesion since World War II. Progress on economic liberalization is likely to continue only in gradual steps until aging populations or prolonged economic stagnation force more dramatic changes. There are no easy fixes for Europe’s demographic deficits except likely cutbacks in health and retirement benefits. Defense expenditures are likely to be cut further to stave off the need for serious restructuring of social benefits programs. The challenge of integrating immigrant, especially Muslim, communities will become acute if citizens faced with a sudden lowering of expectations resort to more narrow nationalism and concentrate on parochial interests, as happened in the past. Europe’s strategic perspective is likely to remain narrower than Washington’s. Divergent threat perceptions within Europe and the likelihood that defense spending will remain uncoordinated suggest the EU will not be a major military power by 2025. [[36]](#footnote-36).

There are three main reasons why this conventional pessimism about Europe’s future is misguided.

First, *demographic and economic estimates of European decline are greatly exaggerated.* European shares of global activity are quite stable over time. Even evaluated by the traditional measures of aggregate population and GDP, Europe’s relative slice is declining only very slowly. Even the most dire demographic and economic prognoses only project Europe’s share declining from 22% to 17% of global GDP over the next generation—hardly catastrophic.[[37]](#footnote-37) In any case, it is highly unlikely (and historically unprecedented) for current Asian growth rates to continue at 10% for 50-75 years—particularly given the demographic, environmental and political hurdles likely to face Asian societies.[[38]](#footnote-38) Yet that is what is required for Asia to surpass Europe.

The second reason why the conventional view of European decline is incorrect is that *population and GNP are the wrong measures of power capabilities.* The linear relationship between gross population and GDP aggregates and global power is an analytical anachronism of the 19th and 20th century. Per capita measures matter more. To be sure, for most of human history, the simpler *Realpolitik* proposition may have held: As Anne -Marie Slaughter puts it, “territory and population translated into military and economic power” and “military power depended on the number of soldiers a state could put into the field, the amount of territory an enemy had to cross to conquer it, and the economy's ability to supply the state's army.”[[39]](#footnote-39) When most governments had few social welfare demands, could reliably control colonial territory, and planned for wartime mass mobilization, as during World Wars I and II or the Cold War, population and aggregate GDP were perhaps plausible determinates of great power geopolitical influence.

Today this sort of calculation is passé. The primary imperative for most governments—not least those in Beijing, New Delhi, Sao Paolo and in other major emerging country capitals—is to maintain legitimacy by providing adequate economic growth, social mobility, and public services. Inter-state war of any kind, let alone total war decided by total commitment of population and thus aggregate GNP or demographics, has become exceedingly rare among great powers. Governments are thus severely constrained in how much wealth they can extract from the economy for military purposes. Nor, in contrast to times past, when armies were labor intensive, can a large population or a big aggregate GDP spread across a poor population be translated easily into military might or economic influence. Such governments need to assure internal stability and openness in order to prosper.

Under such circumstances, a large population is as much of a burden as a benefit.[[40]](#footnote-40) As Slaughter has argued:[[41]](#footnote-41)

“Demography is often cited as the chief factor behind the relative decline of the West. China and India make up over a third of the world's population, while Europe and Japan are actually shrinking and the United States is suddenly a relatively small nation of 300 million. This argument, however, rests largely on assumptions formed in the nineteenth and twentieth centuries. …. Although the United States and the Soviet Union, two great continental powers, dominated the second half of the twentieth century, the countries that grew the richest were often the smallest. In 2007, the ten countries with the highest per capita GDPs all had populations smaller than that of New York City, with one notable exception: the United States. In the twenty-first century, less is more. Domestic markets must be big enough to allow national firms to obtain a foothold so as to withstand international competition (although such markets can be obtained through free-trade areas and economic unions). But beyond this minimum, if trade barriers are low and transportation and communication are cheap, then size will be more of a burden than a benefit…. It will remain the responsibility of government, however, to provide for the less productive members of society, namely, the elderly, the young, the disabled, and the unemployed—think of them as national overhead costs.”

Consider the case of China. Whereas one often reads alarming statistics about the sheer size of the Chinese population, economy or military, China would in fact be much more capable internationally without the political imperative of caring for 700 million poor Chinese in the hinterland—the welfare of whom constitutes the paramount political issue for any Chinese leader.[[42]](#footnote-42) Were this not enough of a headache, Chinese and Indian leaders face opposition from unruly national minorities across their vast multi-cultural spaces.

A strong military and an active foreign policy has become, in the modern world, a luxury good. The need to devote resources to internal priorities imposes a fundamental constraint on military spending and foreign policy adventurism. In contrast to Cold War Soviet military spending rates of 15% of GDP, Beijing spends 1-3%.[[43]](#footnote-43) Comparisons between the aggregate demographic or economic growth of Europe and China or India are thus at best premature and at worst misleading. Meixin Pei has observed:[[44]](#footnote-44)

“Asia is nowhere near closing its economic and military gap with the West. The region produces roughly 30 percent of global economic output, but because of its huge population, its per capita GDP is only $5,800, compared with $48,000 in the United States. Asian countries are furiously upgrading their militaries, but their combined military spending in 2008 was still only a third that of the United States. Even at current torrid rates of growth, it will take the average Asian 77 years to reach the income of the average American. The Chinese need 47 years. For Indians, the figure is 123 years. And Asia's combined military budget won't equal that of the United States for 72 years.”

This is not to say population and aggregate GDP are irrelevant to global influence. Clearly the relative size of the US, China, and Europe counts for something. But crude demographic and economic size must be combined with two more critical elements in order for it to result in cost-effective international influence.

A far more critical factor in measuring global influence is *high* *per capita income.[[45]](#footnote-45)* Per capitaincome not only measures the existence of a surplus that can be used to fund international power projection, but indicates (in non-resource-based economies) the complexity and modernization of the society about to support sophisticated civilian power instruments. The ability to project global influence today—whether military or civilian—requires these things. Effective forms of global influence these days—not just advanced military technology, but sophisticated legal mechanisms of cooperation, education, foreign aid, complex trade and investment arrangements, advanced political institutions, insertion into a favorable division of labor, effective diplomatic engagement and inward immigration— all presuppose high per capita income. High per capita income affords Europe influence in areas such as EU enlargement, trade, aid, education, international law, peacekeeping, and political values. The long-term endurance of the advantage in *per capita* income is the main reason why Europe’s civilian and military advantages will not be eclipsed anytime soon.

High per capita income generates not only economic influence but cultural influence as well. Consider, for example, the recent flurry of analysis on the projection of Chinese civilian power in Asia—the so-called “charm offensive”.[[46]](#footnote-46) Certainly Chinese economic influence is growing in East Asia, and with it the number of people speaking Chinese, studying in China, and perhaps also appreciating things Chinese. But China and its culture does not have nearly the preponderant weight that Japanese or Korean enjoy in the region, the extraordinary impact EU legal norms have had in “Europeanizing” the other end of Eurasia, or that Anglophone language and culture enjoys throughout the world.[[47]](#footnote-47)

The third and most important reason why the conventional view of European demographic and economic decline is misleading is that outcomes in international relations are decreasingly linked to traditional material power capabilities of any kind. Instead, a critical factor is the underlying level of convergence of interest between counties. Trends in this area benefit Europe, because *there is decreasing material and ideological conflict between Europe and other countries, great and small.* The Cold War is over. Fundamental ideological alternatives to regulated capitalism are disappearing. Democracy is spreading. Nationalist conflicts are disappearing, particularly in the immediate proximity of Europe. In part as a result, interstate war is becoming rarer, particularly among great powers.[[48]](#footnote-48) As relations in the world become more positive-sum, and great power war becomes rarer, Europe reaps advantages. The value of Europe’s portfolio of civilian power instruments is multiplied.

To fully understand these advantages, it is useful to step back and reconsider the fundamental realist worldview that underlies predictions of European decline. In this view, Europe’s relative reduction in demographic, economic and military weight is decisive because Europe needs the coercive power to protect itself in a zero-sum world. Recall that realists predicted disorder on the European continent, a collapse of NATO, stagnation in the EU, conflict among the European great powers, and transatlantic discord. The Iraq crisis, with its illusion of “soft balancing”, seemed to confirm this prognosis. For slightly different reasons, having to do with new ideological challenges coming from autocracies like Russia and China, as well as Islamic radicals, the neo-conservatives predict disorder, believing that “the 21st century will look like the 19th.”[[49]](#footnote-49) Even those who are more sanguine about Europe’s stability share the realist and neo-conservative view that without greater military power projection capability, Europe will not be taken seriously in the contemporary world. This view is held not just, as one might perhaps expect, among military planners and neo-conservatives in Washington or Beijing, but by centrist European analysts like Charles Grant, who recently wrote: “These days…few governments elsewhere view the EU as a rising power. They regard it as slow-moving, badly organised and often divided. They are particularly scornful of its lack of military muscle.”[[50]](#footnote-50) Some take the realist balancing logic even further and spot the emergence of a classic Euro-Chinese balancing alliance, as the two “multi-polar” powers oppose the “unilateralist” US.[[51]](#footnote-51)

Yet the past two decades offer striking empirical disconfirmation of these realist claims. After a brief and localized set of conflicts, the European continent has become pacific, civilian power has gained in utility vis-à-vis hard military power, European integration has deepened, and the US and Europe, rather than the EU and China, have drawn closer. To understand why this has occurred, we must look more closely at how liberal theory diverges from realism. Liberals view zero-sum security rivalries as a variable rather than a constant—such rivalries can occur, but they are relatively rare. Military force and power balancing is only one among a number of possible instruments of international influence, one appropriate to particular, and rather rare zero-sum circumstances.[[52]](#footnote-52) Where underlying preferences converge due to trade, democracy and ideological convergence—the trends we have observed over the past two decades—we should expect to see widespread cooperation, with civilian instruments of power playing a more important role. This trend, moreover, creates enormous global advantages for Europe, which helps explain why—in contrast to realist predictions—the European Union has been *rising* in influence over the past 20 years, and is likely continue to do so.

Three specific types of converging international interests are particularly advantageous for Europe, which have been increasing its relative influence in the world.

*A Quiet Region:* Due to the spread of democracy, trade, nationally satisfied states, and regional integration—in large part due to explicit Western and EU policies—the European continent itself is now almost entirely pacified. As a result, European countries face an ever-smaller number of security threats within their region: After dealing with the Balkans, the closest live security threats are now in the Caucasus. This permits European governments to focus efforts “out of area.” By contrast, Asian powers face a far more hostile environment. Pei observes:[[53]](#footnote-53)

“The fast ascent of one regional player will be greeted with alarm by its closest neighbors. Asian history is replete with examples of competition for power and even military conflict among its big players. China and Japan have fought repeatedly over Korea; the Soviet Union teamed up with India and Vietnam to check China, while China supported Pakistan to counterbalance India. Already, China's recent rise has pushed Japan and India closer together.”

Even if Asian powers were to increase their military power in the future, it is therefore less likely that they will be able to project it globally.

*Positive Social Evolution:* A second advantage enjoyed by Europe is most European policy goals involve efforts to encourage ongoing long-term reform of countries in the direction of democracy, economic development and cooperative international relations. Even countries like China and Russia, for all their problems, have made enormous strides in the past quarter century. European civilian power instruments are well suited to this task, which is why policies like European enlargement, neighborhood policy, a common trade policy, and support for multi-lateral organizations have been cost-effective. If more countries become market-oriented, democratic, and free of expansionist ideological claims, we should expect European policies to be better suited to advancing the regional and global interests of European countries. European preferences on major global issues are increasingly compatible with median views of the global community—which means they should find themselves closer to the consensus of most global bargains.[[54]](#footnote-54)

*US-EU Convergence:* Europe’s relationship with the US, whatever tensions there may be, is less conflictual than at any time in recent memory. In general European and American interests tend to be closely aligned, even more so than during the Cold War. Though these are topics of great importance, a world in which the US and Europe can think of no more to argue about than international human rights law, genetically modified food, fingerprint scanning at airports, global warming and, as ever, the subsidization of wheat, is a luxury of which Cold War leaders could only dream.

This is particularly true in the area where one might expect there to be the least agreement, namely military intervention “out of area.” Far from being a source of greater transatlantic conflict compared to the Cold War, as realists and neo-conservatives alike have claimed, military intervention today is in fact a matter of broad Euro-American consensus. There is the obvious fact that a coalition of Europeans and Americans are fighting together in the periphery—including countries like Germany never involved during the Cold War. Even more striking is the high level of current transatlantic consensus about the proper purposes of such intervention. Since the end of the Cold War, of well over a dozen military interventions by Western powers, fundamental disagreement arose on *only one*: Iraq in 1998-2003.[[55]](#footnote-55) Iraq is, moreover, an exception that proves the rule, since it is now widely viewed in retrospect as a policy error. It is a case in which the US pursued a policy that many Europeans opposed for reasons unrelated to the extent or nature of US power, or its unilateral deployment.[[56]](#footnote-56) Regime change is in any case unsustainable as an everyday US policy instrument. This cooperative transatlantic relationship contrasts quite strikingly with relations during the last 25 years of the Cold War, during which the US and Europe disagreed on *nearly* *every major military unilateral intervention* outside of Europe after Korea.[[57]](#footnote-57) In many cases the Europeans voted against the US allies in the UN or even funded those US enemies, as in Latin America. Recent transatlantic squabbles over Yugoslavia, Kosovo or even Iraq pale in comparison to the sustained Cold War battles over Suez, Algeria, détente, Ostpolitik, Vietnam, Cuba, French withdrawal from NATO, the Euro-missiles, the construction of NATO, Euro-communism, the bombing of Libya, Reagan’s policy in Latin America and Africa, and such. The post-Cold War improvement in relations flatly contradicts the explicit predictions of realists.[[58]](#footnote-58) The convergence of European and US policy absent the Soviet threat provides the clearest possible confirmation of liberal predictions about the importance of preferences.[[59]](#footnote-59)

Liberal theory’s emphasis preference convergence as a precondition for cooperation, rather than the realist focus on power balancing, explains why US-EU cooperation is likely to persist and we are unlikely to see the emergence of a Euro-Chinese axis—as some have suggested. China scholar David Shambaugh and others have argued that some sort of geopolitical realignment to offset US “unipolarity” is likely to arise among states committed to a “multipolar” world order.[[60]](#footnote-60) This should lead to a “Europe-China axis.” Yet no such trend has emerged. The reason is that when we consider the notion of such an alliance not in terms of concepts such a “multipolarity” but in terms of the concrete issues that must be managed day to day, we find that on almost everything that matters—trade, RMB appreciation and convertibility, human rights, intellectual property, Tibet, North Korea, Myanmar, Darfur, the Olympics, or Taiwan—European and American positions are closer than those of either with China. An axis againstthe Europe’s concrete interests in the service of a geopolitical abstraction has little appeal.

All these trends explain why Europe has played an increasingly important global role over the past two decades, and is likely to continue to do so for at least the next generation. It also explains why the particular instruments of influence Europe possesses—those of a civilian power *par excellence—*are likely to become more useful over time. In these senses, Europe is a rising power.

**Why the EU’s Decentralized Institutions May Sometimes be Optimal**

It is often argued that the Europe must unify in order to aspire to remain a superpower in the world today—perhaps through majority voting, a centralized spokesperson and a mandatory common policy. Centralization is often taken to be the measure of its effectiveness. If centralizing reforms fail, Europe defense fails as well.[[61]](#footnote-61) Of course Europe has centralized a number of important aspects of its policy: trade, enlargement, regulation, UN policy, and much more. But many EU policies, particularly the more “political-military” ones, remain essentially decentralized. Is Europe destined to remain an “economic giant and a political dwarf”?

Not as much as it may seem. Europe often functions very effectively as a more decentralized network of governments—more effectively than it might if more centralized.[[62]](#footnote-62) In many areas, in fact, the EU has struck a prudent trade-off. Centralized institutions can generate international coordination and credibility through pre-commitment, yet this comes at the cost of flexibility and individual national sovereignty. If governments “under commit” in advance, they may lack the means or legitimacy to act in a crisis. Yet if they “over commit” in advance, they may simply block action in a crisis to avoid being pushed beyond their willingness to act. Rational governments will thus seek an optimal trade-off. The precise level of commitment shifts over time and across issues, depending on the potential collective gains and the possible risks from being overruled.

To illustrate the shifting trade-off, compare Cold War and post-Cold War security institutions in Europe. During the Cold War years, European security policy was dominated by the task of collective defense against the USSR. This required credible common positions and thus generated centralized decision-making. The result was a Western institutional and ideological apparatus focused almost entirely on establishing a credible pre-commitment to defense, and thereby to deter attack: a tight system of coordinated planning, tripwire defense, and coherent declaratory policy designed to enhance the credibility of commitment.[[63]](#footnote-63) Considerable pressure was placed on any government that strayed from common NATO policy. If even a single NATO member did not support the alliance, the result could be disastrous for all.

Post-Cold War security challenges, by contrast, do not involve direct and immediate security threats to Europe. The challenge is rather to encourage a subset of countries—a “coalition of the willing”—to deploy a modest force against a smaller enemy in pursuit of a secondary security concern.[[64]](#footnote-64) It is unrealistic to expect the EU or any international organization to pre-commit governments to act in such circumstances—and they do not. Today it might be argued that further centralization is unnecessary and might even render EU policy-making lesseffective by rendering it less flexible without a corresponding gain in desired outcomes: governments would simply block effective action. Thus Europe may be powerful in part because it is flexible. In the post-Cold War era, the primary task of international organizations is thus not to establish a credible commitment, but to provide flexible coordination and legitimation to back any such efforts. Where governments prefer to act in their own name, they may do so. Flexibility in such institutions is a virtue. Needless to say, governments in Europe are unlikely to relinquish sovereignty to form a common European army. They did not do so during the Cold War, when the threat was more serious than it is today.

Flexible rather than centralized institutions may be not only realistic but also advantageous. An example is the EU recognition of Kosovo—a decision on which a number of EU members, including Spain, Cyprus, Romania and Greece, were hesitant to act, for fear that it would set a separatist precedent in their domestic politics. A compromise was reached whereby the EU recognized Kosovo and aid began to flow, but individual countries were permitted to decide whether to accord bilateral recognition, on their own. The EU compromise was widely criticized in the press as a waffle—but in some respects it was the most pragmatic possible solution to the problem.[[65]](#footnote-65) International recognition was accorded by Europe, legal certainty was established, aid began to flow, Serbia began the process of coping with a new reality, the EU assumed an increasing portion of peacekeeping duties. Yet no individual country was forced to set an unwelcome precedent. Such solutions are possible within the flexible, intergovernmental bargaining framework of the EU. At the very least, what this demonstrates is that under conditions of incomplete consensus, decentralized institutions may be relatively effective and well suited to the challenges facing Europe.

**Conclusion**

The world today is bipolar. We have seen that there are, and will remain for the foreseeable future, two global superpowers: the United States and Europe. Only these two actors are consistently able to project a full spectrum of “hard” to “soft” power internationally. European countries possess, moreover, an unmatched range of civilian instruments for international influence. Because the post-Cold War world continuously becoming a more hospitable place for the exercise of distinctively European forms of power, and because Europe favors the substantive outcomes of such trends, it has facilitated the rise of European influence over the past two decades. There is every reason to believe Europe’s rise in power will continue.

This is not to deny, however, that a number of other great powers—the US, China, India among them—are also on the rise. This may seem contradictory: How can most great powers simultaneously be “rising” powers? Yet this is puzzling only for realists, who assume that the basic aims of governments conflict in a zero-sum fashion. From a liberal perspective, by contrast, the notion that more than one country gains influence at the same time is quite natural, as long as the their aims are compatible and the environment is essentially positive-sum. The post-Cold War period has been such an environment. It has opened up a possibility for most great powers in the world system to increase their influence over global outcomes all at once—because their preferences converge more fully than they did previously, and because deepening interdependence generates greater potential for common problem-solving. Yet even those who eschew realism often fall into the zero-sum habits of mind, assuming that the rise of one great power’s influence must inevitably mean the decline of the others: the rise Chinese economic power must imply the decline of the US, or the rise the US military prowess must mean the decline of Europe. One need look no further than Europe to see how misleading this can be. The post-Cold War has proven to be an era in which Europe has assumed a unique place, preeminent in certain civilian forms of influence, working in a complementary fashion with the US in certain military activities, and increasingly integrated, socially, economically and culturally, into an increasingly peaceful and cooperative global system. The rise of other powers—the economic success of China, the military prowess of the US, the emergence of new partners along Europe’s borders—has not undermined Europe’s rise; it has enhanced it.

1. An earlier version of this memo was written for the Conference “Can the World Be Governed?” (Princeton University, 25-27 August 2008). Comments may be addressed to the author at [amoravcs@princeton.edu](mailto:amoravcs@princeton.edu). The author thanks Mareike Kleine and, in particular, Marina Henke for research assistance. [↑](#footnote-ref-1)
2. Richard Spencer, “Hillary Clinton: Chinese human rights secondary to economic survival,” Telegraph.co.uk, 20 February 2009. <http://www.telegraph.co.uk/news/worldnews/asia/china/4735087/Hillary-Clinton-Chinese-human-rights-secondary-to-economic-survival.html> (accessed 24 August 2009) [↑](#footnote-ref-2)
3. Fareed Zakaria. 2008. *The Post-American world.* New York: W.W. Norton & Co. [↑](#footnote-ref-3)
4. For Exceptions, with whom I am in sympathy, see Jeremy Rifkin. 2004. *The European dream : How Europe's vision of the future is quietly eclipsing the American dream.* New York: Jeremy P. Tarcher/Penguin; T. R. Reid. 2004. *The United States of Europe: the new superpower and the end of American supremacy.* New York: London: Penguin Press; Mark Leonard. 2005. *Why Europe will run the 21st century.* London: New York: Fourth Estate. [↑](#footnote-ref-4)
5. National Intelligence Council. 2008. *Global Trends 2025: A Transformed World.* Washington: US Government Printing Office, November, p.32. [↑](#footnote-ref-5)
6. Leonard. *Why Europe will run the 21st century,* p. 2 [↑](#footnote-ref-6)
7. <http://www.highbeam.com/doc/1G1-134183745.html> (accessed 24 August 2009) [↑](#footnote-ref-7)
8. John Mearsheimer. 1990. "Back to the future: instability in Europe after the Cold War." *International Security* 15:1 Summer, pp. 5-56; Kenneth Waltz. 2000. "Structural realism after the cold war," *International Security* 25:1, Summer, pp. 5-41. [↑](#footnote-ref-8)
9. Nick Witney. 2008, *Re-energising Europe’s Security and Defence policy,* European Council on Foreign Relations. London: European Council on Foreign Relations [↑](#footnote-ref-9)
10. For variations on the realist view that the US and Europe will drift apart, see Waltz. “Structural realism after the Cold War,”; Mearsheimer, “Back to the Future,”; Stephen M. Walt. 1998. "The ties that fray: why Europe and America are drifting apart." *The National Interest* 54, Winter, pp. 3-11; Charles Kupchan. 2002. *The End of the American Era: U.S. foreign policy and the geopolitics of the twenty-first century.* New York: Knopf. [↑](#footnote-ref-10)
11. Andrew Moravcsik. 1997. "Taking preferences seriously: A liberal theory of international politics." *International Organization* 51:4, September, pp. 513-553. [↑](#footnote-ref-11)
12. Robert Kagan. 2002. "Power and weakness." *Policy Review* 113, June/July, p. 4. [↑](#footnote-ref-12)
13. Kagan, "Power and weakness," p. 1. See generally, Robert Kagan. 2003. *Of Paradise and Power: America and Europe in the new world order.* New York: Knopf. [↑](#footnote-ref-13)
14. Even corrected for purchasing power parity, these numbers would show a substantial advantage for Europe. <http://en.wikipedia.org/wiki/List_of_countries_by_military_expenditures> [↑](#footnote-ref-14)
15. Many other European nations have the capacity to construct nuclear weapons but have chosen not to do so. [↑](#footnote-ref-15)
16. Aircraft France possesses 279 fighter aircraft, 122 transport aircraft and 85 helicopters, German 304 fighter and attack aircraft and 104 transports, and – helicopters, Britain has 322 attack and strike aircraft, and 63 transport aircraft, with hundreds more on order. [↑](#footnote-ref-16)
17. <http://www.icasualties.org/oef/> (Accessed 20 August 2009) Combat deaths as of 20 August total Australia (11), Belgium (1), Canada (127), Czech Republic (3), Denmark (24), Estonia (4), Finland (1), France (29), Germany (33), Hungary (2), Italy (15), Latvia (3), Lithuania (1), Netherlands (19), Norway (4), Poland (10), Portugal (2), Romania (11), South Korea (1), Spain (25), Sweden (2), Turkey (2), UK (204), US (793). [↑](#footnote-ref-17)
18. James Dobbins et al.. 2008. *Europe’s Role in Nation-Building: From the Balkans to the Congo.*  Santa Monica: The RAND Corporation. [↑](#footnote-ref-18)
19. Nor does it appear to be seeking to create such a capacity, since it spends a lower percentage of GDP on defense than such countries. See Andrew Moravcsik. 2008. “Washington Cries Wolf”, *Newsweek* cover story, 31 March. [↑](#footnote-ref-19)
20. Robert Cooper. 2003. *The Breaking of Nations: Order and Chaos in the twenty-first Century.* London: Atlantic Books; Robert Kagan. *Of Paradise and Power*; Joseph S. Nye. 2004. *Soft Power: the Means to Success in World Politics.* New York: Public Affairs. Joseph S. Nye. 2008. "Public diplomacy and soft power." *The annals of the American academy of political and social science* 616 (1). p. 94. [↑](#footnote-ref-20)
21. Kagan has argued that Europe is weak. It “lost [its] strategic centrality after the Cold War ended” , “Outside of Europe […] the ability of European powers, individually or collectively, to project decisive force into regions of conflict beyond the continent (is) negligible (see Kagan, "Power and weakness,” p. 4). What is most striking about this celebrated analysis is that it never takes seriously the possibility that non-military power could be of use in dealing with the extra-European world. Kagan is very explicit that only military power is of utility in this “modernist” enterprise. Moreover, he implies that the task of dealing with the “postmodern” world is a “happy benefit”, overlooking that the surrender of sovereignty and difficult political challenges of integration are something Americans would find more difficult to contemplate than military engagement. [↑](#footnote-ref-21)
22. Cooper, *Breaking of Nations.*  [↑](#footnote-ref-22)
23. Milada Anna Vachudová. 2005. *Europe Undivided: Democracy, Leverage, and Integration after Communism.* Oxford and New York: Oxford University Press. [↑](#footnote-ref-23)
24. <http://ec.europa.eu/europeaid/who/partners/international-organisations/index_en.htm> (accessed 23 August 2009) [↑](#footnote-ref-24)
25. Zaki Laïdi. 2008. *Norms over Force: the Enigma of European power.* New York: Palgrave Macmillan. [↑](#footnote-ref-25)
26. <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2078rank.html> (accessed 23 August 2009) [↑](#footnote-ref-26)
27. In 2008, EU exports to China amounted to €78.4 billion and its imports to €247.6 while US imports from China were worth US$69.7 billion and its exports US$337.8 (EU Commission <http://ec.europa.eu/trade/issues/bilateral/countries/china/index_en.htm> (accessed 23August 2009) and US Census Bureau International Trade Statistics <http://www.census.gov/foreign-trade/balance/c5700.html#2008> (accessed 23 August 2009). [↑](#footnote-ref-27)
28. Daniel Hamilton and Joseph Quinlan. 2009. *The Transatlantic Economy 2009, The Center for Transatlantic Relations, American Consortium on EU Studies,* Washington D.C.: SAIS. [↑](#footnote-ref-28)
29. Barry Eichengreen. 2009. The Dollar Dilemma – The World’s Top Currency Faces Competition, *Foreign* *Affairs*, September/October. <http://www.foreignaffairs.com/articles/65241/barry-eichengreen/the-dollar-dilemma> (accessed 23 August 2009). [↑](#footnote-ref-29)
30. # Andrew Moravcsik. 2009. “Europe Defies the Skeptics: How crisis will make the EU stronger,” *Newsweek*, 1 August.

    [↑](#footnote-ref-30)
31. For a precise description of the circumstances under which this does or does not translate into effective political influence, see Sophie Meunier. 2005. *Trading voices: the European Union in international commercial negotiations.* Princeton, NJ: Princeton University Press. [↑](#footnote-ref-31)
32. Cf. Michaela Eglin. 1997. “China’s entry into the WTO with a little help from the EU,” *International Affairs*, 73:3, July, pp. 489-508. [↑](#footnote-ref-32)
33. OECD database <http://stats.oecd.org/qwids/#?x=1&y=6&f=4:0,2:0,3:0,5:0,7:0&q=1:2+2:1+4:1+5:3+3:51+6:2003,2004,2005,2006,2007,2008+7:1> (accessed 23 August 2008). EU data does not include Bulgaria, Cyprus, Estonia, Latvia, Lithuania, Malta, Romania and Slovenia. There exist widely cited studies, most notably from Carol Adelman, purporting to show that US private aid makes the “United States the most generous country in the world.” (e.g. Adelman, Carole. 2003. "The privatization of foreign aid: Reassessing national largesse." *Foreign Affairs*: 9-14.) These are misleading, because they include remittances from foreign nationals residing in the US and but do not include such flows from foreign nationals residing in Europe. Moreover, it is questionable whether they constitute a good example of *American* generosity in the first place. [↑](#footnote-ref-33)
34. Andrew Moravcsik. 2008. “Washington Cries Wolf”, *Newsweek*, 31 March. [↑](#footnote-ref-34)
35. ### Andrew Moravcsik, “The Paradox of American Human Rights Policy,” in Michael Ignatieff, ed. 2003. *American Exceptionalism and Human Rights.* Princeton: Princeton University Press, pp. 147-197.

    [↑](#footnote-ref-35)
36. NIC, *Global Trends 2025*, pp. 32-33. [↑](#footnote-ref-36)
37. Gordon Brown, 2005. Global Europe: full-employment Europe. London: HM Treasury, October, p.4 [↑](#footnote-ref-37)
38. Meixin Pei. 2009. “Think Again: Asia’s Rise,” *Foreign Policy,* July/August. <http://www.foreignpolicy.com/articles/2009/06/22/think_again_asias_rise> [↑](#footnote-ref-38)
39. Anne-Marie Slaughter, 2009. “America's Edge: Power in the Networked Century,” *Foreign Affairs.* January-February. p. 101 <http://www.foreignaffairs.com/articles/63722/anne-marie-slaughter/americas-edge?page=5> [↑](#footnote-ref-39)
40. Slaughter notes that large countries also tend to have unruly national minorities. [↑](#footnote-ref-40)
41. Slaughter, “America’s Edge” pp. 100-101 [↑](#footnote-ref-41)
42. Susan L Shirk. 2007. *China: Fragile Superpower.* Oxford: New York: Oxford University Press. [↑](#footnote-ref-42)
43. <http://en.wikipedia.org/wiki/Military_budget_of_the_People's_Republic_of_China> (accessed 23August 2009) [↑](#footnote-ref-43)
44. ### Meixin Pei. 2009. “Think Again: Asia’s Rise,” *Foreign Policy,* July/August p.33. <http://www.foreignpolicy.com/articles/2009/06/22/think_again_asias_rise>

    [↑](#footnote-ref-44)
45. This is a historical generalization. In the days of British imperialism, the Empire’s population and economy, and the GDP and population of single portions of it, such as India, were far larger than that of Britain itself. This is not matter: Critical was the disparity in *per capita* GDP, control over technology, administration, knowledge, finance, and allies. [↑](#footnote-ref-45)
46. Joshua Kurlanznick. 2008. *Charm Offensive: How China’s Soft Power is Transforming the World.* New Haven: Yale University Press. [↑](#footnote-ref-46)
47. The cultural and linguistic influence of China in countries such as Vietnam, Cambodia or Indonesia is greatly overstated. Most trade is done in a third language, usually English. In Vietnam, for example, the second most popular foreign language (after English) is not Chinese, but Korean—due to the economic opportunities it offers. Interview with Vietnamese Official (February 2008). [↑](#footnote-ref-47)
48. “Human Security Brief 2007”, Simon Fraser University, p.27 <http://www.humansecuritybrief.info/HSRP_Brief_2007.pdf> (accessed 24 August 2009) [↑](#footnote-ref-48)
49. Robert Kagan. 2008. “The End of the End of History: Why the 21st century will Look like the 19th,” *The New Republic.* 23 April. At <http://www.tnr.com/story.html?id=ee167382-bd16-4b13-beb7-08effe1a6844> [↑](#footnote-ref-49)
50. Charles Grant, 2009. “How to Make Europe’s Military Work,” *Financial Times.* 17 August, p. 11 [↑](#footnote-ref-50)
51. David Shambaugh. 2004. “China and Europe: The Emerging Axis,” *Current History,* September. 243–248. [↑](#footnote-ref-51)
52. Moravcsik, "Taking preferences seriously.” [↑](#footnote-ref-52)
53. Pei, “Think Again,” p. 33 [↑](#footnote-ref-53)
54. Some view this as a “normative power” argument, and indeed there are some who have a ideational preference for Europe-like solutions. But this claim is simply that the self-interest of an increasing number of countries worldwide is slowly converging with the self-interest of Europeans. [↑](#footnote-ref-54)
55. I set aside tactical disagreements over the timing and mode of Bosnian intervention, eventually resolved. [↑](#footnote-ref-55)
56. As Brooks and Wohlforth rightly argue, European policy in the case of Iraq cannot be interpreted as “soft balancing,”—and we have seen that this case itself is an anomaly. S.G. Brooks and W.C. Wohlforth. 2005. "Hard times for soft balancing." *International Security* 30:1, pp. 72-108. Indeed, US deployments are becoming more multilateral over time. Sarah E. Kreps. 2008-2009. “Multilateral Military Interventions: Theory and Practice,” *Political Science Quarterly* 123:4, pp. 573-604. [↑](#footnote-ref-56)
57. The only consistent exceptions were the Western interventions in Lebanon. [↑](#footnote-ref-57)
58. John Mearsheimer. 1990. "Back to the future: instability in Europe after the Cold War," *International Security*, pp. 5-56. [↑](#footnote-ref-58)
59. Moravcsik, "Taking preferences seriously.” [↑](#footnote-ref-59)
60. Shambaugh, “China and Europe: The Emerging Axis.” [↑](#footnote-ref-60)
61. Gilles Andréani, Christoph Bertram and Charles Grant. 2001. *Europe’s military revolution.* London: Center for European reform, February. <http://www.cer.org.uk/pdf/p22x_military_revolution.pdf> (accessed 23 August 2009); Charles Grant. 2009. “Is Europe doomed to fail as a Power?” London: Center for European Reform, July. <http://www.cer.org.uk/pdf/essay_905.pdf> (accessed 23 August 2009) [↑](#footnote-ref-61)
62. Anne-Marie Slaughter. 2004. *A New World Order.* Princeton, N.J.: Princeton University Press. [↑](#footnote-ref-62)
63. During the Cold War years, the NATO alliance against the USSR can be modeled as something akin to a n-country prisoner’s dilemma game in which individual governments had an incentive to defect by not contributing full military effort to collective defense, or by resisting controversial steps toward that defense, such as missile deployment. See, for instance, Todd Sandler and Keith Hartley. 1999. *The Political Economy of NATO : past, present, and into the 21st century*. Cambridge, U.K. and New York: Cambridge University Press, pp. 225-226. [↑](#footnote-ref-63)
64. Viewed *ex ante*, this is a problem more akin to a classic case of “collective security”, where the objective is uncertain in advance and likely to be relatively little concern to most members of the organization. [↑](#footnote-ref-64)
65. cf. Oisín Tansey and Dominik Zaum. 2009. “Muddling Through in Kosovo,” *Survival* 51:1, pp.13-20. [↑](#footnote-ref-65)