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European Studies

The European Union in the globalization era: big market, big player?

By

Natalia Igoshina

Supervisor: Chris Rickleton

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List of Abbreviations

ACP (African, Caribbean, and Pacific)

ASEAN (The Association of Southeast Asian Nations)

CU (Customs Union)

DEM (German Mark)

ENP (European Neighborhood Policy)

EMP (Euro-Mediterranean Partnership)

EEA (European Economic Area)

ECU (European Currency Unit)

EM (Euro-Mediterranean)

FRF (French Franc)

GATT (General Agreement on Tariffs and Trade)WTO (World Trade Organization)

LDCs (Least Developed Countries)

LAC (Latin America and Caribbean)

MERCOSUR (Southern Common Market including Argentina, Brazil, Paraguay and Uruguay)

NAFTA (North American Free Trade Association)

OECD (Organization for Economic Development)

PTA (Preferential Trade Agreement)

SM (Single Market)

Abstract

European Union is *sui generis*. It emerged as a unique entity. In the 21st century union experiences the globalization processes as never before. Thanks to these processes the EU can enjoy the free trade area, customs union as a reaction to the globalization, trade flows, open its market and use its big market resources effectively. In this paper there will be the examples through which will be given an attempt to prove that the EU is a big player because of its big market. There are taken into the consideration such aspects as the single currency and customs union; WTO in order to show that the EU can act as a single actor on trade issues on the world arena and other examples of the trade involvement of the EU. Paper also looks at the perceptions of the outside countries on the EU that is going to help to answer the main question.

This paper will proceed from the assumption that EU is more unified economically than other regions in the world. It speaks on behalf of 27 countries in trade, it challenges the USA in international trade and possesses one of the world's important reserve currencies. It is a key player in the World Trade Organization. EU is seen by 'outsiders' as a reliable partner. That all allows the EU to be called a big player because of a big market on the global stage.

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Introduction

Globalization is seen as a rapidly growing phenomenon that has brought the entire world towards a new order. One can say that it started in the second half of the 20th century because as before “world systems have existed in the sense that people all over the world have participated, often involuntarily, in political and economic systems of a huge, often intercontinental scale” (Eriksen 5). Today almost everything is based on the voluntarily cooperation. Now we live under the globalization pressure as never before. It looks if that the world becomes a single community where we can find pro and against of the globalization as it has two dynamics: “one is all about the flows, networks, free circulation and opening of societies that help to integrate and unify markets, cultures and policies; the other is about the change, challenges, competition and closing of markets and societies that are driven by the failures and failings of globalization itself” (Gnesotto 2009).

Globalization brings the competition to the economies of the world. The trade barriers are vanishing and there appear the big trading flows. They give more importance to the bigger and more powerful players in these flows such as EU for example because in this case the smaller economies can profit from the bigger ones and visa-versa. Small markets become more dependant on bigger markets. “Economic globalization has raised the issue of global governance” (Hart 2008). Now the market is the big arena where not only the agreements are signed but also where we can observe the domination of one power over another. “China, India, South Korea and other formerly poor countries are emerging as equal players and regional powers such as South Africa and Brazil are both exploited and exploiters in the global economy. ... mutual dependence and transnational connections lead to a need for more international agreements and a refashioning of foreign policies, and create both fields of opportunities, constraints and forms of oppression” (Eriksen 8). The external influence on the internal/domestic market is unavoidable because they no longer insulate themselves from other markets and due to the globalization processes too. USA and the EU “will remain key actors in

the system. The size and vitality of their economies will ensure their continuing leadership. The ability of the EU to achieve its goal of a common economic system with a free flow of goods, services, money, and people will shape the role of its member states in the new systems of global governance” (Hart 2008).

However, one cannot judge the leadership of the EU just looking insight of it or how it functions. But it is more correct and transparent judgment if one analyzes the perceptions of the players that are outside of the EU, and what the union means to them. “To study external perceptions is important for several reasons. First, they are a source of knowledge about EU foreign policy. Second, others’ views on the EU help to shape EU identity and roles” (Elgstrom 2007). It can be said exactly whether the EU is a big player only because it has a big market but we can make a guess by looking at its negotiations deeper. However, this paper agrees with Ole Elgstrom that the full picture of its leadership can be drawn from the perceptions of ‘outsiders’ (Elgstrom 2007).

One of the reasons that are mentioned in the research of Elgstrom, who works at the Department of Political Science in Lund University, is the size of the European Union. According to the Eurostat in 2005, the GDP of the EU-27 was 12276.2 billions euro, higher than that of the USA 10094.5 billions euro (Eurostat IMF 2005). And what brings the importance to that size is “the economic capacity of the EU [that] is often taken to be one, if not the key, element in the Union’s potential great power status” (Elgstrom 2007). It makes the ‘outsiders’ to look at the EU with more trust and thus follow it in its trade policies. Even the fact of EU economic presence makes it the powerful player on the arena of ‘outsiders’.

Another factor is internal players of the EU economy. The internal actors in the market are not less important for the economic interests that the EU brings to the entire world. EU has a diverse and big market. At times it is difficult to imagine how it manages its market in sufficient way and how it creates the negotiations at the international level. At this point we can observe the help of the Commission on trade policy making. One can say the EU represents or “actually

satisfies the economic interests of its businesses in international negotiations” (Dür 2007) thanks to its “Commission’s hardworking negotiating team” (Dür 2007). The empirical research of Andreas Dur shows that 21 organizations whose economic interests should be represented by Commission, 20 of them said that their interests are represented ‘to large extent’ (Elgstrom 2007). This result shows clearly that the importance of the European Union in international negotiations is not the least and that there are the followers of the policies that the EU proposes on the world arena. For example, 10 ASEAN countries plan to follow the EU model on regional policies that concern the economic activities, energy, transport, etc; Economic Cooperation Framework Agreement serves as an example for Taiwan, etc. In this case the EU is portrayed as a skillful big player that is able to present, put in life the economic interests of its member states and merit imitation in other parts of the world.

On the other side the statistics say for themselves of the fact that the EU is still a big player in the world market of trade. “In 2007 it accounted for 17,5% of world trade (42% when intra-EU trade is included)” (Gnesotto 2009). And as a matter of fact it is possible to disagree with the statement that “the EU has no voice as such in the major international economic and political institutions, with the exception of the World Trade Organisation (WTO)” (Gnesotto 2009). One can strongly believe that the EU has a voice and a significant voice as the size of its economy does influence the decision-making on international level. One can see that EU is quite involved in the economic processes on international level; in addition there was done a lot of research that indicates the global economic voice of the EU.

There are certainly many aspects that can be touched upon while analyzing and trying to prove the idea that because of the big market of the EU, it can be seen as a big player. But one cannot leave out the aspect of euro as it is a crucial part of the international trade activities. Euro is a proof to the economic power of the European Union. There even raises an issue of the ability of euro to compete with the USA dollar, again basing on the trade issues and international activities of both.

In this paper it will be given an attempt to construct the macroeconomic analysis as the interactions of the EU market with the help of trade are analyzed with its non – EU partners. The main research question is about whether the EU is a big player because of its big market in the globalization era. The methodology that is used in order to answer the main research question is literature review. That is going to help to come up with relatively ‘new’ conclusion on the situation of the market of the EU and its role thanks this aspect in the globalization era. As a result of the research there will be proved or disproved the following hypothesis: Because the EU is completely involved into the system of world trade and the size of its market has grown to a large extent – this will grant the EU a role of a big player at global scale for near future.

Globalization

Concept of globalization

Globalization is a big phenomenon that revealed itself very clearly in the 21st century. There is hardly anything in this world that would not be touched by globalization. Every activity of any state is influenced by its processes. “Globalisation means that the flows of goods, services, capital, technologies and people are spreading worldwide, as countries everywhere open up to wider contact with each other” (“Making globalisation work for everyone” 2002). One cannot say that this phenomenon has a negative or positive effect. Globalization pushes the states and their activities to the new level and it is up to the states to judge the effect of globalization. Their markets become more open and by this free trade the economies can profit from the markets of each other. Thanks to globalization the world can enjoy the accessibility of different spheres of life.

Globalization is definitely a working process, it cannot be fixed. This process is not under the control of some precise government, region, or state. It coexists with the activities of the governments, regions, states, and societies. The term globalization is often implied as an

important tool for trade because it “refers to the linkages transcending existing territorial boundaries” (George 38).

One can call our era a globalization era. According to the book of Paul Hopper “Living with Globalization”, this process is intervened into all spheres of our life. There he emphasized the question on how we experience, engage with its processes, and respond to it (Hopper 2006).

This great phenomenon of the 21st century is often regarded as a “more intensive and extensive form of greater interconnectedness” (Hopper 2006). It forms networks that become global and at the same time it ‘shortens the distance’. Present century can be seen as a century of global multilateral networks thanks to the globalization. Businesses that are involved into the system of a great interconnectedness understand the globalization “as the expansion of the international economy and the prospect of new trading and financial opportunities” (Hopper 2006).

European Union can be seen as a good example of its era. How globalization works is clearly seen through what EU does and what interests it defends. One can clearly see the work of globalization with the EU beginning in the 1990s. Since that time we have Economic and Monetary Union, European Single Market, Free Trade Area, Organization for Economic Development (OECD), WTO, and common currency. All that serves as an evidence of the EU emerging in the globalization era in terms of its enlarging market. Globalization can be observed through the market of the EU. Now the world market is a big arena where not only the agreements are signed but also where we can observe the domination of one power over another. “China, India, South Korea and other formerly poor countries are emerging as equal players and regional powers such as South Africa and Brazil are both exploited and exploiters in the global economy. ... mutual dependence and transnational connections lead to a need for more international agreements and a refashioning of foreign policies, and create both fields of opportunities, constraints and forms of oppression” (Eriksen 8).

Globalization theory

In attempt to explain the role of the EU because of its big market in the globalization era, here it is up to place to look at one of the perspectives of the globalization theory – globalism. This theory touches the globalization of the economies and “the sweeping away of the significance of territorial boundaries” (Martell 2007). As a result, the world economy opens its doors to the outer world for free trade. The economies become more integrated. “If a country is not transparent, with a flexible free market, then it will crumble” (Waltz 1999). So, the result of the isolation is going to lead to the collapse of the economy of the state as the experience of the USSR in the history showed it clearly. In addition, there is less probability of political influence in the world. According to the globalism, when there is a place for the economic changes, it will have also the political implications (Martell 2007). In addition, the nation states have to give up their sovereignty because they have to delegate their interests/policies to the one capital.

In order to join the global market, the state has to have “a package of policies including balanced budgets, economic deregulation, openness to investment and trade, and a stable currency” (Waltz 1999). All that permits for the state to become a world economic player. At the same time the globalism tries to understand the world politics through the focus on the importance of the economy.

Everything that is suggested by the third wave of the globalization theory globalism is going to be traced through out the whole paper in order to try to understand the importance of the big market of the EU, its trade and their influence on the recognition of the EU as a big player.

Defining ‘market’ and ‘big player’

The market is a notion and place that is mostly affected by the processes of the globalization today. When one talks about the European Union one of the images that appears is its big

market. That is “a meeting together of people for the purpose of trade by private purchase and sale and usually not by auction” (“Market” definition 2011). The capacity of the EU market is huge and on the market of the EU there are many traders that make the EU market a prosperous place with their activities. For this reason, market is seen in this paper through the prism of trade. Trade is alpha of the big market of the EU. Trade is very important for the EU and it is well developed, to a large extent. Market is regarded through trade because such a huge progressive market should have an access to the world and meet other buyers not only domestic ones.

As for the meaning of ‘big player’ here one should also clarify what it can mean in the case of this paper. In order to be considered as a big player, EU has to have influence, power, ability to be an example to follow; it has to be involved in foreign markets and economic and political issues that affect other countries beyond its borders on many issues. In addition, it is always the performances that bring the difference and to be considered as a big player.

EU is a very complex machine that is involved actively into the trade policy. EU acts on the world arena and its actions that are implemented through trade policy are one of the proofs of it being a big player. Today in the world we have two superpowers; they are the United States and Europe. And even though Europe is not unified in classical sense, “Europe is more effective at projecting power globally and getting things done than anyone else...” (Moravcsik 2007). Not less important is that the EU tries to achieve consistency and coherence through its International Relations on different issues including trade. EU is a big player because in all spheres of its diplomacy it acts with purpose and it shapes outcomes, it is effective in the external world. The level of effectiveness of the EU tells us about its status.

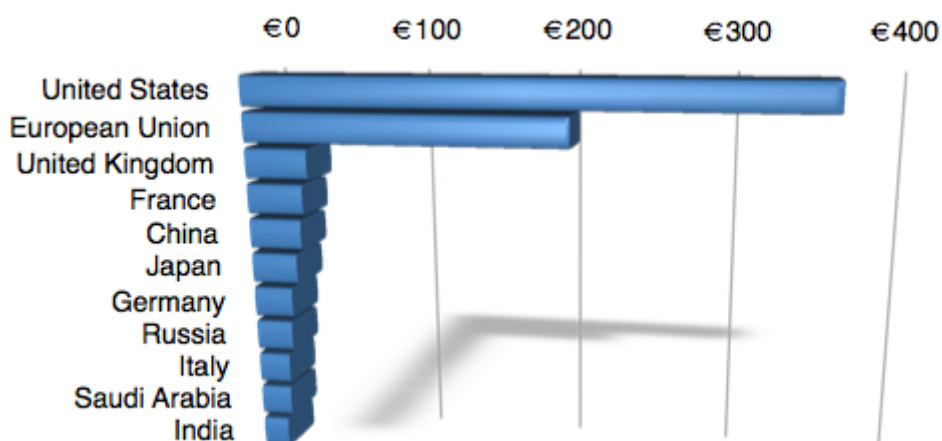
Due to its demographic, economic, military situations and ideology, the Union has an impact on the rest of the world.” Its footprints are seen everywhere. It is the largest donor in the world and the size of its economy is comparable to that of the US. This provokes reactions and creates expectations from the outside. A stronger presence implies a greater capacity to act...” (Brooks

1995). This all implies to the definition of the big player. But it is very important to answer a question whether these great performances are to take place because of the big market of the EU.

'Economic Giant'

EU as an economic superpower

The reality of the European Union is that it has power not because of the effective laws that it has or its environmental preserve policies but it is thanks to its economic prosperity to a large extent. It has about 500 million of consumers that serve for the stability and prosperity of the economy of the union. Its GDP is the second highest in the world. GDP (Billions): 13,349.1; GDP Per Capita: 27,394.34 ("EU – becoming a superpower?" 2010). Its budget is also the second highest in the world.



Source: www.abovetopsecret.com.

According to the survey done in 2003 ("Future of Europe") by GfK Ad Hoc Research Worldwide on behalf of The Wall Street Journal Europe with total of 18,822 people in 17 countries, it was found out that "people in the European Union and the USA have surprisingly similar views when it comes to the economic development of the European Union over the next 20 years. Around one in three of the respondents in Europe and the USA believes that Europe will catch up with the USA in economic terms" ("Europe - an economic super power?" 2010).

That survey clearly showed that the EU is not only seen as an economic power in the newspapers or official publications but also by the ordinary people from 17 countries.

“The EU power roots are more tangible, visible and pragmatic. The EU is and will be for several decades a market-centered power. Its Single Market (with capitals) is the main driver and source of power in which several external EU policy instruments and initiatives are based on, to then exert its influence abroad” (Miccinilli 2010). The EU still remains an economic giant and a political dwarf. Its success is due to its trade interactions. In addition, Single Market is a tool that actually helps to shape the politics outside the EU. “The Eastern Neighborhood Policy and the Euro Mediterranean Partnership would have been empty boxes without having a relatively functioning Single Market behind” (Miccinilli 2010). So, the big market of the EU serves as a basis for external political influence. In this case it is quite obvious that the big market makes the EU a big player. Realizing this, EU tries to use its resource to get the maximum out of its big market and its size gives ‘weight’ to its all negotiations. Facts say about this as president of the European Commission, Jose Manuel Barroso, intends to re-launch the Single Market to maximize the economic potential of the Union (Miccinilli 2010). The Single Market has to be re-launched so it is more effective. Behind the re-launching of the SM stands not only the maximization of the economic potential of the EU but also a political one. There it is taken into the consideration the external influence that the SM should bring along. “Our aspiration and our vision are to make Europe a partner, and not a mere observer of a changing world, turn it into a committed player on the international scene” (Asselborn 2005).

So far it is possible to say with the confidence that the EU is an economic superpower as union is able to regulate the globalization processes and establish new partnerships in the world.

Customs Union

Customs Union is another tool of the European Union to manage effectively its big market. It is usually created when states desire the free exchange of goods and services. In this case all tariffs and quotas are abolished but the member states create the common external tariff in order to

protect the trade insight. CU was introduced under the Treaty of Rome in 1968. The primary aim was to exclude the customs duties among member states and introduce common customs tariff (CCT). The Community tried to facilitate trade. That led to the agreements,” agreement with the European Economic Area (EEA), and to encourage development by providing preferential access to European markets, for example the Lomé Convention, signed with the African, Caribbean and Pacific countries (ACP)” (“Customs Union” 2011).

There are enough examples of the CU in the world like the Southern African Customs Union (SACU), the East African Community (EAC),etc. Another example is the European Union. However, the EU is not Customs Union in itself but it creates the CU with other countries for effective trading thus bringing benefits, using effectively its large market and creating a positive image. “Mercosur is a free trade area that is considering evolving into a full fledged customs union. Negotiations in the region are ongoing” (“What Is Customs Union – Definition Customs Union” 2010).

Customs Union works certainly for the benefits of the European Union. CU strengthens firms within the union. They don't have to pay excessive costs for expanding into other countries inside the Union. That leads to economic growth. As the area becomes more prosperous, other countries and companies want to ‘get in’ more and more.

It is obvious that Customs Union has success in the EU because it creates the trade flows. CU has a great advantage because the goods can be allowed to circulate freely within it. It creates the single trading area thus preventing the partners from the obstacles. As the matter of fact, CU covers the areas not only that of the EU but also the outside countries. That makes the big market of the EU be even more attractive to the outside world. “The EU is constantly working on updating and automating procedures which will smooth trade across its internal and external borders” (“Customs Union” 2011). In this sense, CU creates an image of the EU as a big player for its partners. As an example, one can look at Turkey. It became a member of the European

Customs Union. As a result, it saw only benefits and the entrance into the ECU did not affect its local industries in a negative way.

Euro as a single currency

Aspect of euro

Euro was established in 2002 as a single currency of the European Union. However, “on 1 January 1999, the euro [has already] instantly become an international reserve- and intervention currency by inheriting the role held so far by the DEM, FRF and the ECU” (“The Euro as ‘Parallel Currency’ 1999-2002” 1999). It was a great step toward the realization of ongoing plans of neighbor countries and the EU itself. The already enlarging market of the union required the single currency in order to facilitate the intra and extra trade. Euro as a single currency removes transaction costs in trade.

It is quite evident that the implementation of the euro would not be possible without the economic power of the European Union. In addition, the euro became a sign for the big market of the EU. Euro became an attraction for the foreign markets that led to the mutual powerful trade like with China, Mediterranean (Tunisia, Algeria, Morocco, Malta, Cyprus, Syria, Turkey, Lebanon, Israel, Egypt, Jordan, the Palestinian authority), and Latin America. The single currency promised them the lowest possibility of the risk in exchanging rates. So, the exporters and the importers benefit from the euro (“The Euro as ‘Parallel Currency’ 1999-2002” 1999).

Euro is definitely seen as the indicator of the big market of the European Union. Thanks to the euro the EU can enjoy the trade facilities with its trade partners. This single currency gives credit to the EU being a big player. “The expansion of [EU] currency’s authoritative domain, in principle, translates directly into effective political power.” (Portes 1998) Thanks to the adoption of euro, EU is perceived as was already mentioned a player with the single voice and important player.

Euro vs Dollar

If we look at Europe through the prism of its international trade, it can match the USA. Taking this fact into the account, euro can be expected to challenge the dollar's supremacy. "Some of the recent language of European political leaders suggests that they look forward to this prospect and that they believe the United States, despite its official pro-EMU position, in fact opposes the single European currency precisely because it regards the euro as a threat, in this sense." (Portes 1998)

There is always some friction between the USA and the EU for example the hot 'war' on the steel tariffs and 'war' on bananas. Even in the case of the Mediterranean countries there is a problem of export. The standards of the EU and USA differ significantly that puts the Mediterranean countries into the deadlock when it comes to the question to which giant they should export more.

EU and USA go side by side in their goals that are directed toward China. These two big markets both want to trade with this country that is also favorable for its strong currency.

Europe seems to tilt toward Russia, the USA tilts toward China and Pacific because each of them were more engaged in trade and other policies with those states in the past; in addition, they see their plans being well accepted exactly in those states. Here we can observe the significant strategic vision that can change the present fundamentals of the governance. "The largest question mark in this context is probably the future of the euro as a reserve currency, since it could give the euro-zone a truly global clout, but further widen the Atlantic by contributing to the weakening of the dollar, and presumably of America's world leadership" (Dassu 212).

Euro is representing the case at the moment that there is a possibility of 'monetary regionalization and even globalization' (Iglesias 2010). With euro's stronger exchange and inflation rates it represents more stable market. That is primarily one of the reasons why China and Brazil consider the EU as the main trading partner. The influence of the euro exists clearly

because such Chinese person as the Governor of China's central bank, Zhou Xiaochuan talks about the possibility of substitutes for the dollar and he refers to the euro without doubt (Iglesias 2010). That raises a question about the possibility of switching to euro and give up the dollar as the international monetary system currency.

“While the dollar is still the vehicle currency on the foreign exchange markets, the euro becomes the dominant currency for exchanges between Europe and the Asian bloc” (Portes 1998). There are reasons for that and they are economic advantages from currency. The euro is getting more dominant in many trading spheres that signifies the big market of the EU and what is not less important is that there is elimination of exchange rate uncertainty; euro facilitates the trade between many EU trade partners and that gives credit to the EU as a big player.

Taking these all arguments into the consideration, it is likely to conclude that the euro represents the big market of the EU. If there were no big market in the EU, there wouldn't be euro that is so desirable by many other powerful countries. That all makes the EU be a big player as far as the issue concerns the trade. “Brazil has even considered the possibility of billing its bilateral trade with the EU in euros” (Iglesias 2010). Euro looks alternative to dollar and euro seems to be an easier tool for countries to trade with the big market of the EU.

Perception on the EU from outside/ outsiders' perspective

We cannot judge the leadership of the EU just looking insight of it or how it functions. But it is more correct and transparent judgment if we analyze the perceptions of the players that are outside the EU. “To study external perceptions is important for several reasons. First, they are a source of knowledge about EU foreign policy. Second, others' views on the EU help to shape EU identity and roles” (Elgstrom 2007). We cannot say exactly whether the EU is a big player only because it has a big market but we can make a guess by looking at its negotiations deeper.

Starting from the 1950s the EU applied many effective policies that shaped a positive image of it especially if one talks about the trade. Preferential Trade Agreements were the outcome of the

enlarging market of the EU. PTAs led to the creation of further effective policies that were attractive to other countries. The creation of the Single European Market and Treaty of Rome that facilitated the trade even more were another step toward the recognition of the EU as a big player. “Successive enlargements and the consolidation of the Single Market have gradually strengthened the Community/Union’s position as a major player in trade negotiations internationally, both in bilateral negotiations with third countries and multilateral negotiations within the GATT/WTO3. Since the post war period the EC/EU has therefore progressively built up a solid network of trade relations worldwide” (De Santis 2007). In 1996 with the creation of “Access Market Strategy” according to the PTAs there was access to the “third countries trade”¹. As a result, the EU has more than 174 trade partners with stable and reliable trade relations.

In the table below it is shown how many countries joined the EU in its trade because of the effective work of the policies that were directed to the rational usage of the market capacities of the EU and the effective engagement in trade.

¹ The phrase means simply the non – EU countries trade. In order to clarify the meaning, one can take as an example the negotiations between two EU member states and another state, i.e. third country that is a non-EU state.

Tab. 2 EU PTAs after 1995

Agreement	Date of entry into force	Type of agreement
EC — Turkey	1-Jan-96	Customs union
EC — Faroe Islands	1-Jan-97	Free trade agreement
EC — Palestinian Authority	1-Jul-97	Free trade agreement
EC — Tunisia	1-Mar-98	Free trade agreement
EC — South Africa	1-Jan-00	Free trade agreement
EC — Morocco	1-Mar-00	Free trade agreement
EC — Israel	1-Jun-00	Free trade agreement
EC — Mexico	1-Jul-00	Free trade agreement
EC — Mexico	1-Mar-01	Services agreement
EC — FYROM	1-Jun-01	Free trade agreement
EC — Croatia	1-Mar-02	Free trade agreement
EC — Jordan	1-May-02	Free trade agreement
EC - Chile	1-Feb-03	Free trade agreement
EC - Lebanon	1-Mar-03	Free trade agreement
EU Enlargement	1-May-04	Accession to customs union
EU Enlargement	1-May-04	Accession to services agreement
EC - Egypt	1-Jun-04	Free trade agreement
EC-Chile	1-Mar-05	Services agreement

Source:http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm1_e.htm

One cannot say literally that the EU is a big player just because of its big market. The reason is that along with the big market the EU was using its market capacities, resources and advantages sufficiently and rationally. EU created effective policies that were a result of the big market. That gave the recognition to the EU as a big player. However, one cannot deny that the EU would be at difficult position and not really significant without its big market. PTAs help EU redirect the benefits of globalization and reinforce its image as a big player

Asia sees the EU as an important and valuable partner thanks to the growth of the single market, enlargement, and successful common currency. That encouraged Asia to increase its trading links with Europe. Because of the effectiveness of the work of the EU, that in its turn creates a positive image, the EU-27 is on its way to be a “leading economic best-fit” (Holland 321) partner to the region. “Indeed, the lasting reputation of the EU as an “economic giant”, “trading powerhouse”, and “financial Gargantuan” seems to be supported by the exogenous [what EU does, outcomes, etc.] factors of economic interactions the Union currently enjoys with Asia” (Holland 321).

Similar situation is with other countries and regions. One cannot doubt that the EU is recognized as an outstanding trade partner/actor in the world. But due to the diversity and at the same time the size of its market, Europe can face the problems. It can get harder to keep that outstanding positive image on the world arena because of the diversity of the interests of its member states. But EU is the entity that proved to be sufficient enough so far in resolving different problems and conflicts. As a result it will manage its contradictions inside itself effectively.

EU as a single actor in trade

"Let's unite. And the world will listen to us" (Meunier 2000).

France, 1992

European Union is *sui generis*. It emerged like nothing else before. It is a unique entity that is quite complex in its functioning. For any superpower to be reckoned with and be de facto a global player, being united means almost everything.

European Union is seen as a single actor in trade since 1957. At that time there was a creation of European Community that agreed upon the principle of a single actor in trade. From that time there was "a single external voice in trade" (Meunier 2000) that meant giving up the sovereignty on trade policies and giving it to the supranational level. So Commission looks at the proposed negotiations that cover the objectives of the Community. It is a long and very complicated process. And to emphasize such a notion as 'single actor' in trade instead of EU27 is quite up to date because of the globalization. Representation of national markets separately became not that actual as "the concept of the domestic market loses its meaning" (Kierzkowski 2000).

The status of a single actor was always an aspect to doubt on. However, in December 2003 EU proved how it is in reality to 'act as one' in trade issues. EU went in hot 'war' with the USA on US steel tariffs that were imposed by G.Bush's presidency. "The EU had threatened to retaliate

against the USA by imposing politically targeted tariffs of their own against American goods (including citrus from the electoral swing state of Florida).” (Haseler 2004) The outcome of those hot debates was the victory of the EU that allowed it to be reckoned with. “This victory for Europe over steel tariffs allowed the EU Trade Commissioner, Pascal Lamy, to argue that ‘when Europe is united... it can play a role in world affairs that corresponds to its weight’” (Haseler 2004). In addition, that case doesn’t really mean that the EU is going against the USA on these issues but rather this situation shows that the EU is not only a big player but an independent big player.

Member states delegate their competence to one negotiator that speaks on their behalf in ‘one voice’ concerning the trade negotiations. It creates problems and leads to the complexity on reaching the common interests. One negotiator that speaks for all member states in trade is responsible for not running over its allowed competence. They are flexibility, autonomy, and authority. In the case of flexibility, “a mandate can be vague and flexible, with the negotiators being instructed to do “the best they can,” or it can be more restricted, with a specification of the concessions that are acceptable” (Meunier 2000). So far what concerns the autonomy, there is a control of principal over the trade negotiator. That is a method to make the negotiator represent the EU single interest. However, there is the authority aspect that complicates the transparency of the representation. “De facto, maintaining the authority of the Commission is a day-to-day struggle” (Meunier 2000). There is always a temptation of the negotiator to represent more the interests of its state rather than that of the whole EU. In the case of not following the rules, the EU trade bargaining can be represented as only one sided, making the trade partner doubt about the ‘single voice’ of the EU in trade. But so far the EU managed with this issue and does its best while speaking in one voice.

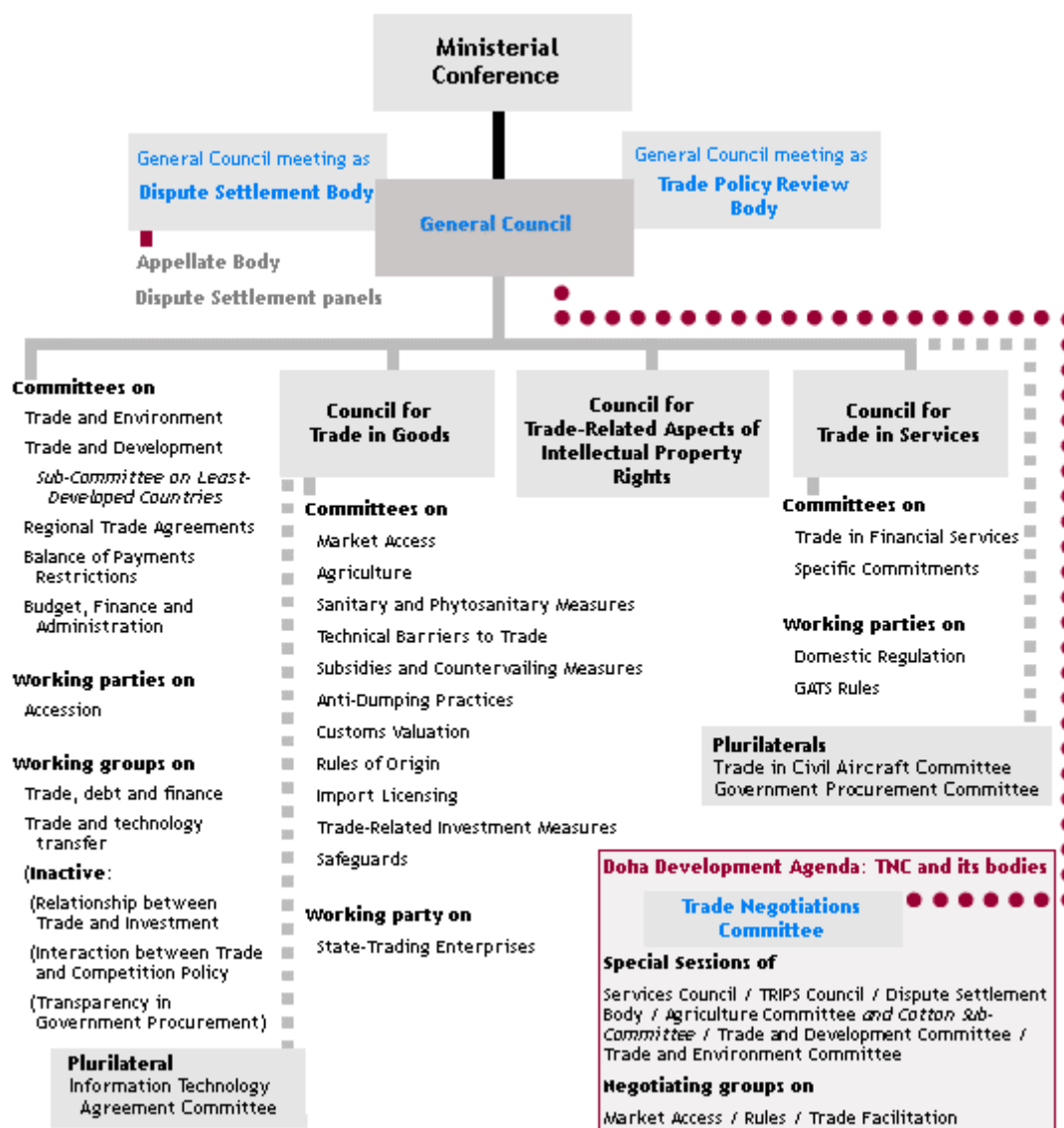
EU is indeed seen as a single actor especially if one talks about trade. There the European Commission negotiates upon all agreements and decisions thus representing all the 27 Member States of the EU. It can be clearly seen in the case of WTO. Usually, the main reason why

Europe gets less respect is that it is not quite unified politically but there is a clear distinction between the economic Europe and political one. Many want to cooperate and trade with the economic Europe as it is unified.

WTO. What role for EU?

There is a clear definition of the World Trade Organization that states that the WTO is an international agency which encourages trade between member nations, administers global trade agreements and resolves disputes when they arise (“WTO” 2011). The WTO has a goal to liberalize trade.

World Trade Organization is based in Geneva. Ministerial Conference is the highest body in the WTO that decides on all issues. It is composed of all member nations of the Organization. But it meets only once in two years. As for the everyday work in the WTO, it is up to the General Council that is also composed of every member state in the WTO. It has to report to the Ministerial Conference. In the chart below it is clearly seen how the WTO is organized and what organs it has.



Source: “The Organization of the WTO”. Understanding the WTO.

<http://www.wto.org/english/thewto_e/whatis_e/tif_e/english/thewto_e/thewto_e.htm>.

WTO is an organization where the EU is represented as a single actor in trade. European Commission negotiates on behalf of the 27 Member States. “The largest and most comprehensive grouping is the European Union and its 27 member states.” (“The Structure of WTO” 2011) The EU is one of the important players and driving forces in the World Trade Organisation (WTO). WTO at present time tries to represent a good example of how global trade policy can be coordinated in practice.

“The Commission sets and carries forward the priorities and aims of the EU as laid down in guidelines given by the Council of

Ministers. Officials from the Commission's Directorate General for Trade, under the authority of the Commissioner are charged with actually conducting the negotiations, and speak on behalf of the EU as a whole. Coordination with Member States is assured at all times through the 133 Committee, while the Commission regularly informs the Parliament. At the end of the Round, the Council has to agree formally the outcome” (Bhushan 2011).

Europe, China and the USA are members of the WTO. China is a global superpower in trade. However, USA and EU still dominate in the WTO. The smaller grouping in the organization is ASEAN (Malaysia, Indonesia, Singapore, Philippines, Thailand and Brunei Darussalam) but these countries are able to represent themselves in a single voice too because they have common interests in trade. Other groupings are Latin American Economic System (SELA), the African, Caribbean and Pacific Group (ACP), NAFTA (Canada, US and Mexico) and MERCOSUR (Brazil, Argentina, Paraguay and Uruguay).

It is not surprising that the EU is an active member of the WTO. It wants to make the trade/multilateral trade strong and flexible at the same time in order to reach the economic development. EU believes that it can be better achieved by consensus in such organization as WTO. In addition, as the world experiences the globalization of all spheres, WTO for the EU is the help that can remove many obstacles in trade. Through this organization, union is able to enforce global rules and make them work better than those in the rest of the world.

Currently, there are 153 members in the WTO. Organization takes 90% of all trade in the world (“Making globalization work for everyone” 2002). And it is working on the idea to let in some members that are seen strategically important for the organization; as it would promote even more effective work of the WTO. That’s the reason for the EU being actively involved in discussions with China as it is seen as a valuable partner in the organization; here is also on the agenda the joining of Russia to the WTO at the end of 2011.

It is not surprising that the EU is quite influential in the WTO. One can observe this influence through the decision-making procedure. Usually, the decisions are taken on the basis of

consensus. In case the consensus is not reached it is allowed to vote, in that case it is considered 'one state is one vote'. EU in its turn represents 27 countries, that gives already a weight to the EU proposal; with 27 votes in some cases it is more likely to get the majority of votes.

In the consensus based organization there is always a place for negotiations during which one partner can persuade the other to follow its policy or rules proposals. For example, in 2004 as put by the European Services Forum, "if the EU does not get a substantial agreement on services, WTO members cannot expect the EU to give much on agriculture." (Dür 2010) So, EU has a big market that is important and attractive to other countries such as members of the WTO. This fact makes the EU a big player at WTO negotiations. EU proposes many issues for negotiations like elimination of tariff peaks in industrial goods, need for agreement on "Singapore issues" (Dür 2010) (trade facilitation, competition policy, investment rules), etc. In case if its strong will in specific area is not 'satisfied' or rejected, EU brings into action an importance of its big market; EU in some cases simply manipulates with its market as it was seen above.

There is an interesting fact that says that the former Trade Commissioner, Patrick Lamy, was the head of the WTO in 2007. The last General Director of the WTO, Peter Sutherland, was also a former Commissioner for Competition 1985-89. The EU trade diplomats enjoyed close working relationship with the WTO (Mortensen 2011). In addition, one has to take into the consideration the big experience of the "trade bureaucracy" (Mortensen 2011) in the EU that in its turn gives the right to the Commission to occupy the "driving seat on the most WTO matters" (Mortensen 2011).

In general, EU is a central player in the WTO. "Nothing happens without the Europeans wanting it to happen" (Moravscik 2007). It has a big market and this factor makes the EU a big player in the WTO. Through this organization EU has enough power to influence the rest of the world in the issues of trade because WTO is one of the organizations with the International Monetary

Fund (IMF) that is involved into the process of governing the world economy. “It is suffice to say that the EU worked hard to persuade the WTO community to accept their vision of a comprehensive global market integration process.” (Mortensen 2011).

EU and trade

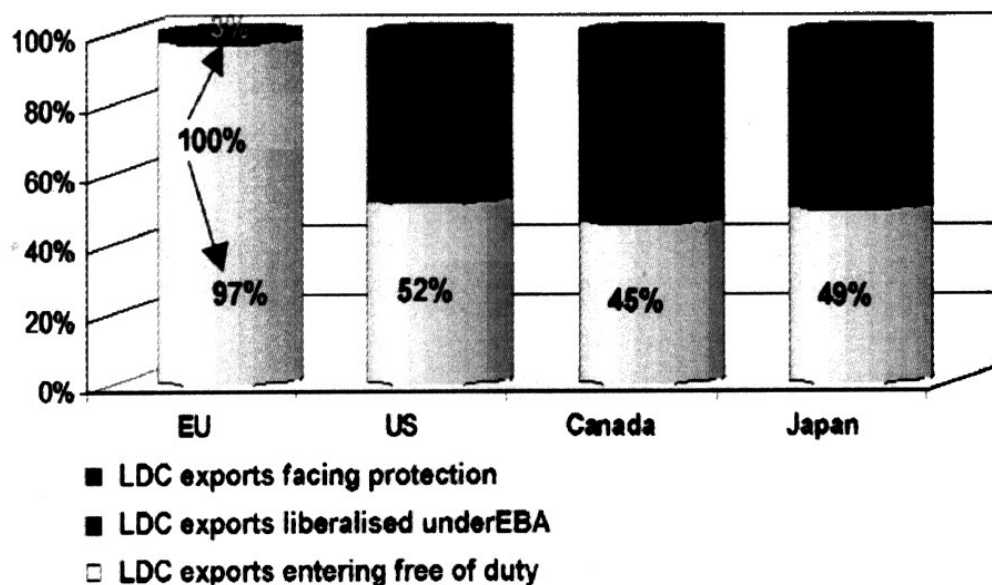
Europe is located in the heart of the civilizations such USA, Russia, and in the south there are Islamic countries. In addition, the EU possesses one of the strongest economies in the world. Europe experiences the globalization processes as the rest of the world. That’s why EU feels the necessity to open its big market to the world and it will boost the economy of the trade partners mutually.

For the last 20 years there was a notable growth of the trade in the world. “Trade increased rapidly during the 1990s and almost doubled between 1993 and 1997” (Fligstein 2002). And today it is even more than it was in the 1997. This growth is due to the enlarged market of the European Union. Steps taken by the EU to create Customs Union, Single Market, and common currency that are all about the facilitation of trade have definitely created the rules for governing economic activities as in the EU so outside the EU. As de Tocqueville said, “trade represents more than just the ‘gentle’ method of international communication. It also facilitates the conduct of effective foreign policy” (Telo 2006). That shows again that effective trade of the EU due to its big market makes the EU be one of the big players on the world arena.

EU is quite involved in the trade with many countries, no matter whether those countries are rich or not. “EU, the world’s largest single market, is the first exporting and the second importing integrated area in the world” (De Santis 2007). The main initiative to trade comes from the EU because it has its personal interests in making the trade a prosperous activity. However, the two side trade would not be successful and did not have any future plans if the EU did not manage to fulfill its promises and did not manage to perform its effectiveness. “The EU’s position also gives it responsibilities towards the rest of the world. That is why it plays a leading role in

international trade negotiations, working towards fair trade and seeking to harness globalisation through the World Trade Organisation (WTO)” (“Making globalization work for everyone” 2002). Because the EU manages to fulfill all that many countries have a strong will to trade with the EU. Such an example is Balkan states. There the EU uses trade as a method of reconstruction. “The EU has removed customs duties on 95 % of exports from these countries in order to boost their economic recovery and strengthen their trade links with Western Europe” (“Making globalization work for everyone” 2002). However, EU leaves some right for itself for protectionism of its domestic market too. In general, EU uses its market with the help of trade to be quite influential in the world. Trade helps the EU to set up the networks and links with its neighbouring countries and thus create the situation that would be beneficial from the globalization for both partners.

Another aspect that proves that EU is a big player because if its big market is the support of the EU for the Least Developed Countries (LDCs) that are classified into this category according to their GDPs. There are 49 of them. Union tries to make better their access to the world markets. EU launched the ‘Everything but Arms’ initiative in March 2001 (“Making globalization work for everyone” 2002). That signifies that market of the EU is fully open to the LDCs and they can benefit and develop through the ‘duty free’ trade. “The EU became the first major trading power to open its market completely to exports from the world’s least developed countries (LDCs)” (“Making globalization work for everyone” 2002). Below it is clearly seen how open is EU to the exports from LDCs.



Source: European Commission official web-site.

In general, it is getting obvious that EU is a big player at least for the LDCs. Under ‘Everything but Arms’ initiative exports were liberalised by 97%. However, the USA, Canada, and Japan still keep their markets under the protection. Thus they look less attractive to LDCs rather than the EU. “The value of exports from developing countries to the EU has been rising steadily, and in 2000 amounted to EUR 432 billion, double the total in 1990” (“Making globalization work for everyone” 2002). So, the EU has become world’s largest importing entity of goods from the LDCs.

Least Developed Countries are not the only case. EU gives a preferential treatment to other regions also. Its market and trade cooperation grows all the time. “The Lome Convention extends ‘The House of Europe’ through EU trading and economic influence way beyond its boundaries by linking 71 African, Caribbean and Pacific states to the EU; the ‘Euro-Med Conference’ links the EU’s single market to 12 Mediterranean states, including the Palestinian Authority, Jordan, Syria, Turkey, Israel, Algeria and Morocco” (Haseler 2004). EU works on the expansion of the trade in the world and opening its big market to others in order to profit from the globalization that allows to boost the economies with the help of free trade. Such objectives are seen in the Article 131 of the EC Treaty on EU trade policy: “ to contribute, in the common

interest, to the harmonious development of world trade, the progressive abolition of restrictions on international trade and the lowering of customs barriers” (“Making globalization work for everyone” 2002). That is where one can see the effective work of the EU.

Here an example can be shown. All oil imports should grow from 53 percent in 2006 to 85 percent in 2030, on gas imports from 3 percent in 2006 to 63 percent in 2030 (Tovias 170). The EU’s activities with the countries are also based on the trust. Economic giant tries to never let its partners down what promises the EU a long-term partnership. In its turn, a long-term partnership stands for the importance of the EU on the global stage that gives it the right to be called a big player. In this case we do not disregard its big market as it is the first key of the EU on the way to be called a big player. In general, the reliability as one of the aspects makes the EU a big player.

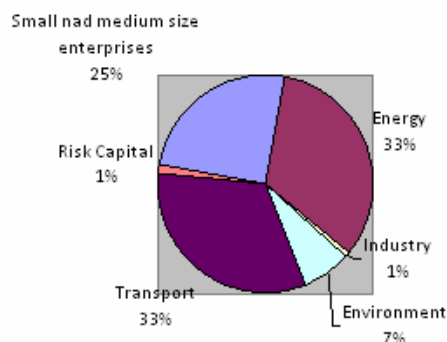
In order to answer the questions on the trade involvement of the EU, it is important to look at European Neighborhood Policy (deals with trade, aid, and migration flows). This policy was established in 2004. This policy touches upon old and new neighbors of the EU. The enlarged Europe with evoking problems could put a fence around it and become “Fortress Europe” but it found the best way to all that is to integrate economically. By ENP the enlarged EU agreed to share all the benefits of the trade with the neighboring countries that would share the EU values, thus creating “a ring of friends” (Tovias 170). In this policy the European Commission clarifies the benefits that were accessible only to the member states. They are “a stake in the internal market”(“substantial reduction of barriers by partners to trade agreements, a progressive but selective integration into aspects of the internal market. [It is] step-by-step approach” (Tovias 170)); seminars on “cross-border cooperation”, new forms of cooperation with neighbors. It is up to Commission to track the implementation of the benefits to the neighbors.

The European Mediterranean Policy, that was also established in 2004, seems to be productive and long-lasting. EU’ economic role in the Mediterranean countries became overwhelming.

“Ever better economic relations with the EU’s economic block are a must” (Tovias 170). More and more those countries depend on trade/market and other spheres proving the importance of the presence of the EU. EU is the most important importer in his region. It covers about 40% of the total trade of the region. “In 2009, EU-Southern Mediterranean countries' total trade in goods amounted to almost €200 billion. EU and Mediterranean countries reinforce trade partnership” (European Commission 2010).

Big market of the EU does indeed plays a significant role in ENP. It lets the EU have the strategic vision. In order to develop the trade and market cooperation with the EM countries and make it more productive, EU supports the countries financially. European Investment Bank (EIB), following the ENP, is important in supporting the EM countries reforms. The EIB put in life the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) that would support the EM countries to adapt to the economic challenges.

Facility for Euro-Mediterranean Investment and Partnership (FEMIP) Lending by Sector, 2004



Source: European Investment Bank, 2005.

Here we see the significant help of the EU to the EM countries. At the same time it makes the countries to see the EU as the one and most important partner for trade.

Similar situation is with Latin America and Caribbean. The market of the EU is very attractive to those regions, taking into the consideration that they are far behind the EU. EU is indeed a big player in trade and in market cooperation for its partners. “[EU] has become the biggest foreign investor, and it is the second most important trade partner” (Roy 220). EU has agreement with Latin America and the Caribbean called Strategic Partnership that is based mostly on economic cooperation, trade relations and not less important on institutionalized political dialogue. In parallel, the EU has also the individual trading blocs such as Mexico and Chile. In 1999, Union has signed the Interregional Framework Cooperation Agreement with Mercosur (Argentina, Brazil, Paraguay, Uruguay) that emphasized the free trade area among them and the EU. That Agreement was also based on political dialogue, cooperation, and aid. Since 2007, there have been the negotiations with the Andean Community on the base of Association Community Agreement that would force and facilitate the trade and investment. Since 2003, there has been an Association Agreement of the EU with Central America, covering again the trade and investment. There along with that came the negotiations on peace making, democratization process, social development, etc. Here we can observe again that the trade/market issues are always accompanying with the other not less important aspects. That makes one doubt about the pure power of the market of the EU and puts doubt on whether it is indeed that the EU big market makes the EU a big player. Such term as involvement better explains why we consider the EU a big player. However, the numbers speak for themselves. The EU market looks quite attractive and significant to these countries.

EU27 trade in goods with the LAC countries

million euro

	EU27 exports to:		EU27 imports from:	
	2000	2009	2000	2009
LAC	59 220	65 891	54 323	74 471
Brazil	16 854	21 572	18 661	25 641

Mexico	14 280	15 861	7 404	9 877
Argentina	6 222	4 754	5 583	8 183
Chile	3 498	4 513	5 215	7 441

Source: Eurostat. News release “EU - Latin American and Caribbean Summit”.2010.

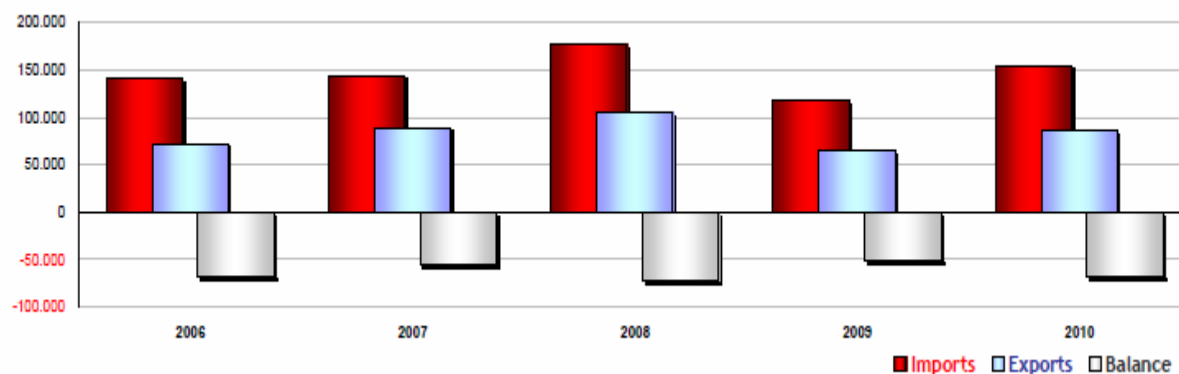
Here it is seen obviously, that the trade grew between the LAC countries and the EU. It proves the status of a big player of the EU because of its big market and active trade.

All the Agreement that were mentioned above are indeed the proof to the ‘power’ of the EU in many spheres, especially in market/trade. But that perfect image is always underpinned with the present EU headache – Common Agricultural Policy. CAP is always avoided and left unfinished in the negotiations on the trade. That creates the contradiction and the doubt on the full-devotion agreements of mutual cooperation. However, that shows indeed that the EU is a big player because it has enough power to deal with the CAP even though it is always debatable issue. It can embrace globalization, but keep enough in reserve to protect farmers.

On the whole, trade is working quite well in the case of developing countries and the big market of the EU brings all sorts of benefits to those countries and to the EU itself and all that makes the EU a big player for them. That’s what the Trade Commissioner Karel De Gucht said about the trade of the EU: "Trade is working for Europe's economic recovery by ensuring growth and jobs. Our renewed trade strategy will open markets and connect Europe to the main sources and regions of global growth. My aim is to ensure that European business gets a fair deal and that our rights are respected so that all of us can enjoy the benefits of trade” (European Commission 2011). Developing countries from the renewed trade strategy will have access to EU markets on advantageous terms that will give the advantage of going a step further on the economic ladder.

EU is trading and cooperating not only with the poor countries but it also forces the links with Russia, China, and Canada. Russian sees the EU and the EU sees Russia as the irreplaceable

partner on the market. EU manages to fulfill its obligations towards Russia and Russia is confident and glad to export gas and oil to the Union. Their trade links date back almost after the break up of the Soviet Union and seem to last till 2030 as the earliest time.



Source: EUROSTAT (Comext, Statistical regime 4). 2011.

Another good example of the effective trade partnership of the EU is China. Europe has been trading/ in market cooperation with China since the 1980s. In 1970s “there were of course economic reasons for building closer relations with Europe, since China needed technology and equipment for its modernization” (Caira 264). In 1978 there was the first trade agreement and in 1985 there was another agreement on trade cooperation between the ‘EU’ (European Economic Community) and China (People’s Republic of China). But their relations still remain strong and mutually effective. And we do not have to forget that Europe the same as China today is highly interested in cooperation in many spheres with China because this country is already considered as economic superpower and a global actor too.

There is one more example of trade cooperation of the EU with a big player. Canada is the tenth largest trading partner for the EU. 1.8 percent of total EU trade is with Canada. On the other side, the EU is the second largest trading partner of Canada. According to 2007 estimates, the EU accounts for 9.8 percent of total Canadian trade (Laursen 231). This data represents sufficient demand of Canada for the diverse and big market of the European Union. It also shows

that both sides cooperate in trade effectively. EU can be seen as a big player for Canada because of the Union big and diverse market, but still the first stage for Canada takes the USA (total Canadian trade with the USA is 67.3%). Nevertheless EU is less interested in FTA with Canada. But it still trades and maybe because Canada is rich in resources such as oil and gas. But what makes more attractive to Canada in the EU is that the EU market is much bigger and Canada has an interest in developing its market while trading with the EU market. EU market is quite favorable to trade with.

Here is some data that shows the trade flows of the EU giving a brief picture:

EU trade with non-member countries (European Commission Sept 2010):

- +25.5% annual import growth
- +27.3% annual export growth

For September 2010.

On the whole, one can notice that for the last years the trade flows grew. Import and export of the EU grew also with its partners. In the Table 1 the line of increased trade is clearly seen. The numbers got higher. With China exports grew from 182.9 to 477.0 in 5 years; import grew from 155.5 to 451.3 in 5 years from 1999 to 2004. With Canada exports grew from 223.7 to 258.8; import grew from 206.6 to 221.7. This data has grown up with the big markets. What concerns smaller markets the numbers are even higher. With Asia exports grew from 146.7 to 225.5; imports grew from 210.2 to 309.2. That shows the importance of the big market of the EU and what important role it plays in the trade in the era of globalization. “The area where the EU has most power is trade and economics in general. This concerns not only the relations between the EU and its member states but its relations to third powers in the international arena. ... the EU is the largest economic entity in the world. By the same token, the EU is the biggest trading entity and aid donor in the world” (Smith 2001).

Conclusion

Globalization is a big phenomenon that revealed itself very clearly in the 21st century. There is hardly anything in this world that would not be touched by globalization. Every activity of any state is influenced by its processes. European Union can be seen as a good example of its era. How globalization works is clearly seen through what EU does and what interests it defends. One can clearly see the work of globalization with the EU beginning in the 1990s. Since that time we have Economic and Monetary Union, European Single Market, Free Trade Area, Organization for Economic Development (OECD), WTO, and common currency. All that serves as an evidence of the EU emerging in the globalization era in terms of its enlarging market. Globalization can be observed through the market of the EU. Globalism helped to understand the great involvement of the EU market through the trade into the world economic activities. Its market is open for trade with the rest of the world and it is justified. “The EU cannot successfully reform global governance if it is isolated, inward looking, incapable of communicating...” (Telo 2006). Theory itself gives a partial answer to the question as it talks about the importance of the open economy, trade, common currency; it cannot explain such policy as CAP, for example. Theory also says that the changes in the economy and its relative weight make the state an important player in term of the politics. That is what is seen in the case of the EU.

The reality of the European Union is that it has power not because of the effective laws that it has or its environmental preserve policies but it is thanks to its economic prosperity to a large extent. It has about 500 million of consumers that serve for the stability and prosperity of the economy of the union. Its GDP is the second highest in the world. The EU still remains an economic giant. Its success is due to its trade interactions. In addition, Single Market is a tool that actually helps to shape the politics outside the EU.

Starting form the 1950s the EU applied many effective policies that shaped a positive image of it especially if one talks about the trade. Preferential Trade Agreements were the outcome of the

enlarging market of the EU. PTAs led to the creation of further effective policies that were attractive to other countries. The creation of the Single European Market and Treaty of Rome that facilitated the trade even more were another step toward the recognition of the EU as a big player. One cannot doubt the EU's recognition as an outstanding trade partner/actor in the world.

EU is indeed seen as a single actor especially if one talks about trade. There the European Commission negotiates upon all agreements and decisions thus representing all the 27 Member States of the EU. It can be clearly seen in the case of WTO. Usually, the main reason why Europe gets less respect is that it is not quite unified politically but there is a clear distinction between the economic Europe and political one. Many want to cooperate and trade with the economic Europe as it is unified.

In the case of some countries, one cannot say that the EU is a big player only because of its big market. Of course, its big market (trade) is number one on the 'to-do list' of the EU. However, market (trade) issue never goes alone. In negotiations and agreements this issue is always supported or we can say accompanying with such issues as promotion of political stability, peace creation, social development, promotion of democracy, or preservation of environment, etc. It is impossible for the EU to be involved in the trade only with any country. 21st century, the era of globalization, tended to show the EU what is a 'must' for it in its International Relations/trade.

On the whole, it should be never forgotten that the EU 'appeared' firstly for the economic reasons what concerns market and trade. Even though if one day there is no such a political entity as the EU but the economic EU will be on the world arena during many years in the future. This will be the silver line in the recognition of the EU as a big player. Everything is interconnected: euro as a single currency influences on trade, market influences on trade and all this influences on the status of the EU as a big player. "Indeed the Community's economic presence, and its role in world trade, is fundamental to its external activities overall" (Bretherton 1999). What is important to mention is that EU has indeed a 'powerful' market and EU is getting

more influential thanks to its big market, of course taking into the consideration the globalization processes of the 21st century.

As a result, the hypothesis of the paper got proven that because the EU is completely involved into the system of world trade and the size of its market has grown to a large extent – this will grant the EU a role of a big player at global scale for near future. However there always exist some small branches that make one doubt about the pureness of the statement that the EU is a big player because of its big market in the globalization era. This doubt was seen in the case of trade policies with the Mediterranean, Latin America, Asia, etc., that were always in parallel with other supporting it policies. But Europe that is quite united in terms of trade, it had world's largest Single Market and it has a strong reserve currency, that tells that the EU remains a big player with a big market in new century.

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Appendix I

Table 1.

The main players in the world market of goods

Exports	EU25	USA	China	Japan	Canada
1999	689.4	650.0	182.9	391.8	223.7
2000	857.8	845.7	269.8	518.9	299.5
2001	895.8	816.0	297.1	450.5	290.1
2002	903.6	733.6	344.3	440.6	266.9
2003	882.9	640.7	387.5	417.1	241.1
2004	969.0	658.4	477.0	454.6	258.8
Imports					
1999	746.6	994.1	155.5	290.9	206.6
2000	996.0	1.363.4	243.7	410.9	265.0
2001	983.7	1.316.6	271.9	389.8	253.8
2002	942.5	1.271.4	312.1	356.5	240.5
2003	940.8	1.151.9	365.0	338.5	216.6
2004	1.032.0	1.227.1	451.3	365.4	221.7

Source: "External and intra-European Union Trade". *European Commission*. Luxembourg, 2005. 96. Web.

Appendix II

Table 2.

Euro-zone trade by geographical areas (€ billion)								
Exports	Total extra-eurozone	Other European countries	Africa	North America	Central and South America	Asia	Oceania	Non-specified
1999	821.6	414.9	48.7	147.3	43.9	146.7	11.9	8.3
2000	1 000.3	495.2	56.5	185.5	53.3	186.9	12.9	9.9
2001	1 061.7	525.3	60.3	195.6	56.5	199.9	14.1	10.1
2002	1 082.8	542.4	59.4	199.9	50.2	203.3	15.8	11.8
2003	1 058.4	545.0	59.3	181.5	43.9	201.4	16.4	10.8
2004	1 150.7	594.0	64.2	188.2	47.2	225.5	18.1	13.4
Imports								
1999	788.8	358.2	49.6	123.4	34.0	210.2	6.2	7.3
2000	1 021.5	451.4	73.1	153.5	44.4	284.2	7.9	6.9
2001	1 013.9	463.5	74.0	149.5	45.6	266.5	8.3	6.6
2002	983.8	467.3	67.9	135.7	43.9	257.4	7.8	3.8
2003	988.8	475.7	68.9	120.0	44.3	268.1	7.9	4.0
2004	1 078.5	510.1	73.1	123.2	50.7	309.2	8.4	3.8

Source: "External and intra-European Union Trade". *European Commission*. Luxembourg, 2005. 96. Web.