

2-2007

Unexpected Implications of an Expanding European Union

Birol Yesilada

Portland State University, yesilada@pdx.edu

Brian Efirid

Sentia Group, Inc.

Let us know how access to this document benefits you.

Follow this and additional works at: https://pdxscholar.library.pdx.edu/polisci_fac



Part of the [Economic Policy Commons](#), and the [Political Science Commons](#)

Citation Details

“Unexpected Implications of an Expanding European Union” (with Brian Efirid and Peter Noordijk), paper presented at the Annual Conference of the International Studies Association, Chicago, February 28 – March 3, 2007.

This Presentation is brought to you for free and open access. It has been accepted for inclusion in Political Science Faculty Publications and Presentations by an authorized administrator of PDXScholar. For more information, please contact pdxscholar@pdx.edu.



Unexpected Implications of an Expanding European Union: A Power Transition Analysis

Birol Yeşilada

Portland State University

Brian Efird

Sentia Corporation

(February 2007)

ISA 2007 Conference in Chicago, IL



Introduction

- Using a power transition perspective, this paper analyzes the regional and global implications of different enlargement formulations of the European Union (EU) during the first half of the 21st century.
 - First, it assesses the consequences of expanded EU membership with varying enlargement scenarios on global power distributions and considers the EU's position in the new world order.
 - Next, the paper examines EU's external economic and security relations and considers how they might be affected by future enlargement of the Union.



Theory and the Analytic Model

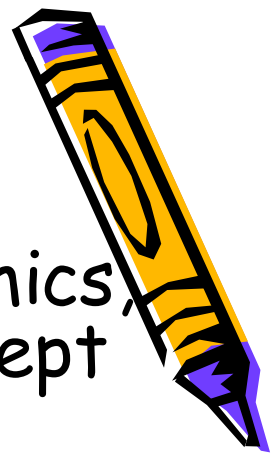


- The model we utilize in this study is based on research that started with A.F.K. Organski's (1958) seminal work in world politics and later developed by Kugler and Organski (1980) and Tammen et al (2000).
- The most basic proposition is that war is most likely to occur when the relative power of two competing nations approaches parity.
- A second fundamental proposition is that nations do not interact in anarchy.
 - The dominant nation establishes the status quo and persuades some to join and be satisfied with the existing order.
 - When parity approaches, a dissatisfied challenger is likely to challenge and may wage war against the dominant nation.
 - Under similar conditions, a satisfied challenger may seek integration.



Theory and model

- In addition to power and status quo dynamics, power transition theory includes the concept of hierarchal relationships among global powers.
- We focus on ordering within hierarchies to determine the role of hierarchies in cooperation and conflict.
 - An unordered hierarchy emerges when most nations hold roughly equal shares of power.
 - Ordered hierarchies are characterized by power concentrated in the hands of a dominant global or regional power who establishes and supports the status quo.



The model

$$CI = RP - S (RP^3) + H_c + H_D$$

- Where;
 - CI = Conflict - Integration
 - RP = Relative Power
 - S = Status Quo
 - Hc = Hierarchy of Challenger
 - Hd = Hierarchy of Defender



The model

- The dependent variable is a measure of the deepening of integration at the one end of the spectrum and worsening conflict at the other end:



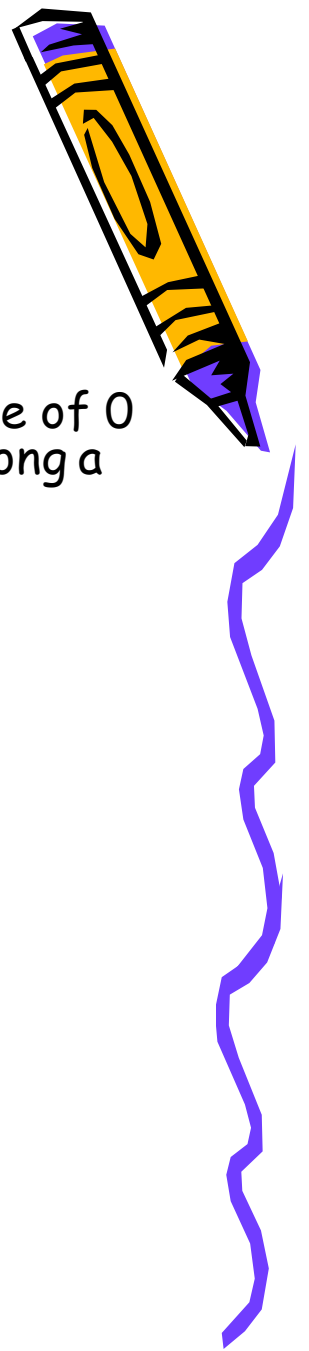
High
Severity of Conflict

neutral

High
Level of Integration



Integration Achievement Score (IAS)

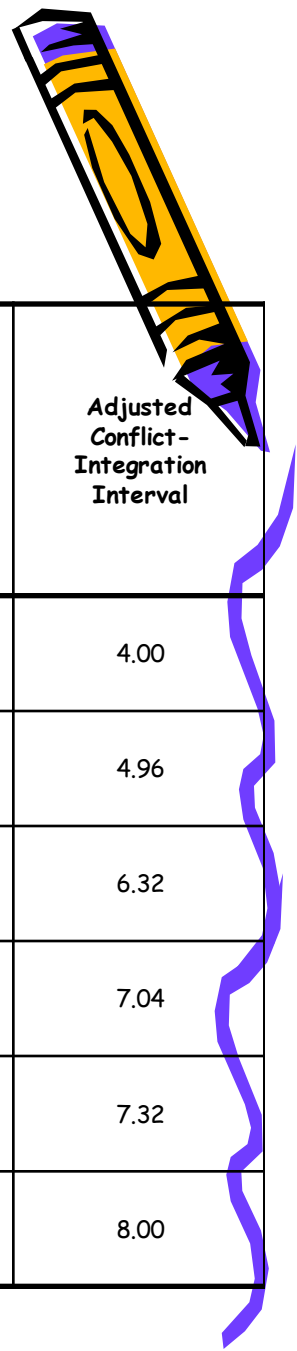


- First developed by Hufbauer and Schott (1994) and further advanced by Efird and Genna (2002)
- six categories that measure the level of regional integration.
 - Free movement of goods and services
 - Free movement of capital
 - Free movement of labor
 - Supranational institutions
 - Monetary coordination
 - Fiscal coordination
- Each category has a value of 0 (low) through 5 (high) along a Guttman scale:

$$IAS = \frac{\sum_{i=1}^6 C_i}{6}$$



Measure of conflict

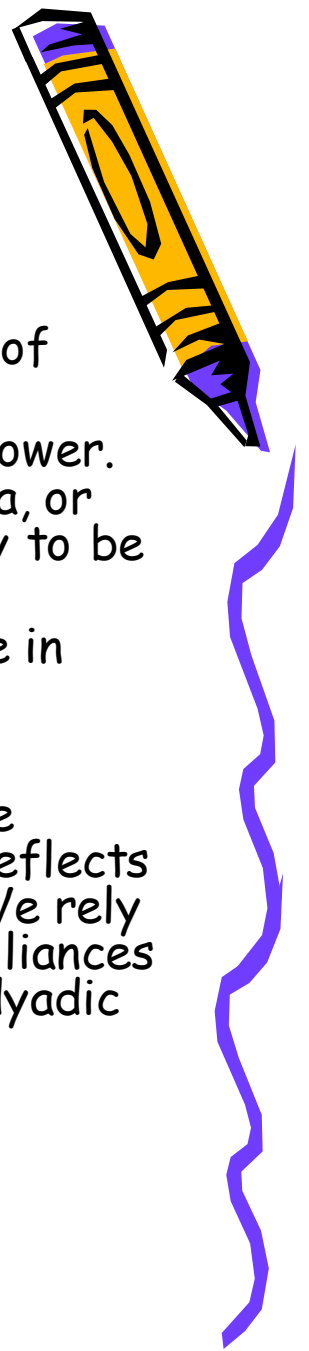


- The second part of this scale measures the level of conflict among nations.
- Estimates are taken from the Hostility Level data developed by the COW project. These data are transformed to reflect intensity following Goldstein (1992) who surveyed a panel of foreign policy experts—averaging their weighting of events—so that WEIS events ranging from conflict to extreme conflict can be classified. Efird (2000) reports the resulting conversion of COW Hostility Scores to Goldstein-WEIS scaling scores are as follows:

Hostility Level Coding	Description of Coding	Goldstein-WEIS Interval	Adjusted Conflict-Integration Interval
0	No event	0	4.00
1	No militarized action	-2.4	4.96
2	Threat to use force	-5.8	6.32
3	Display of force	-7.6	7.04
4	Use of Force	-8.3	7.32
5	War	-10.0	8.00



Independent Variables

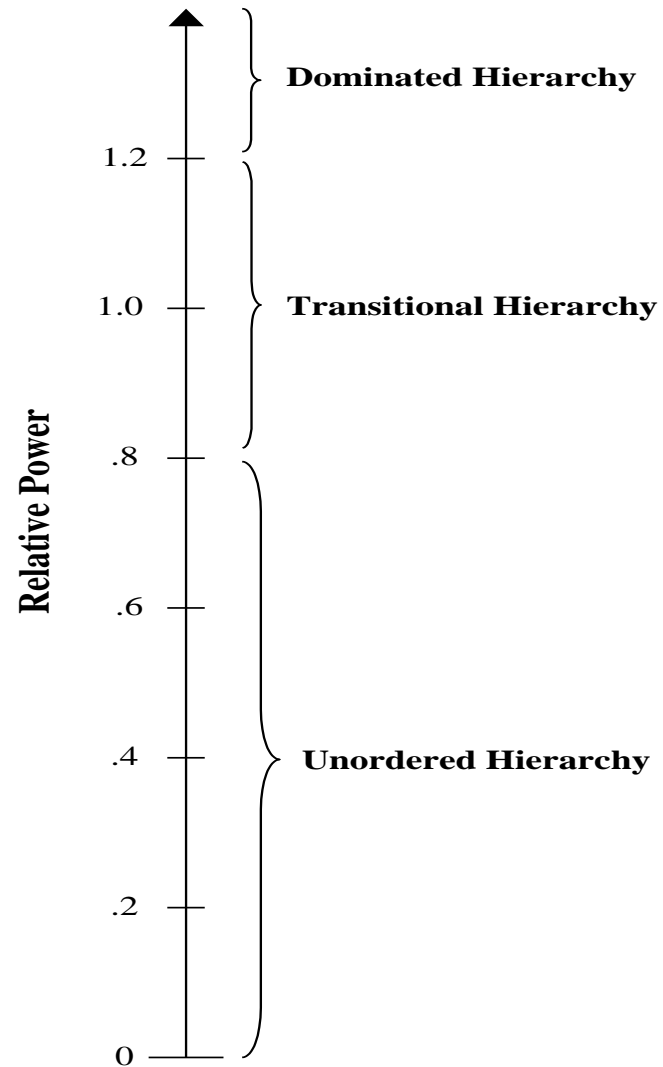


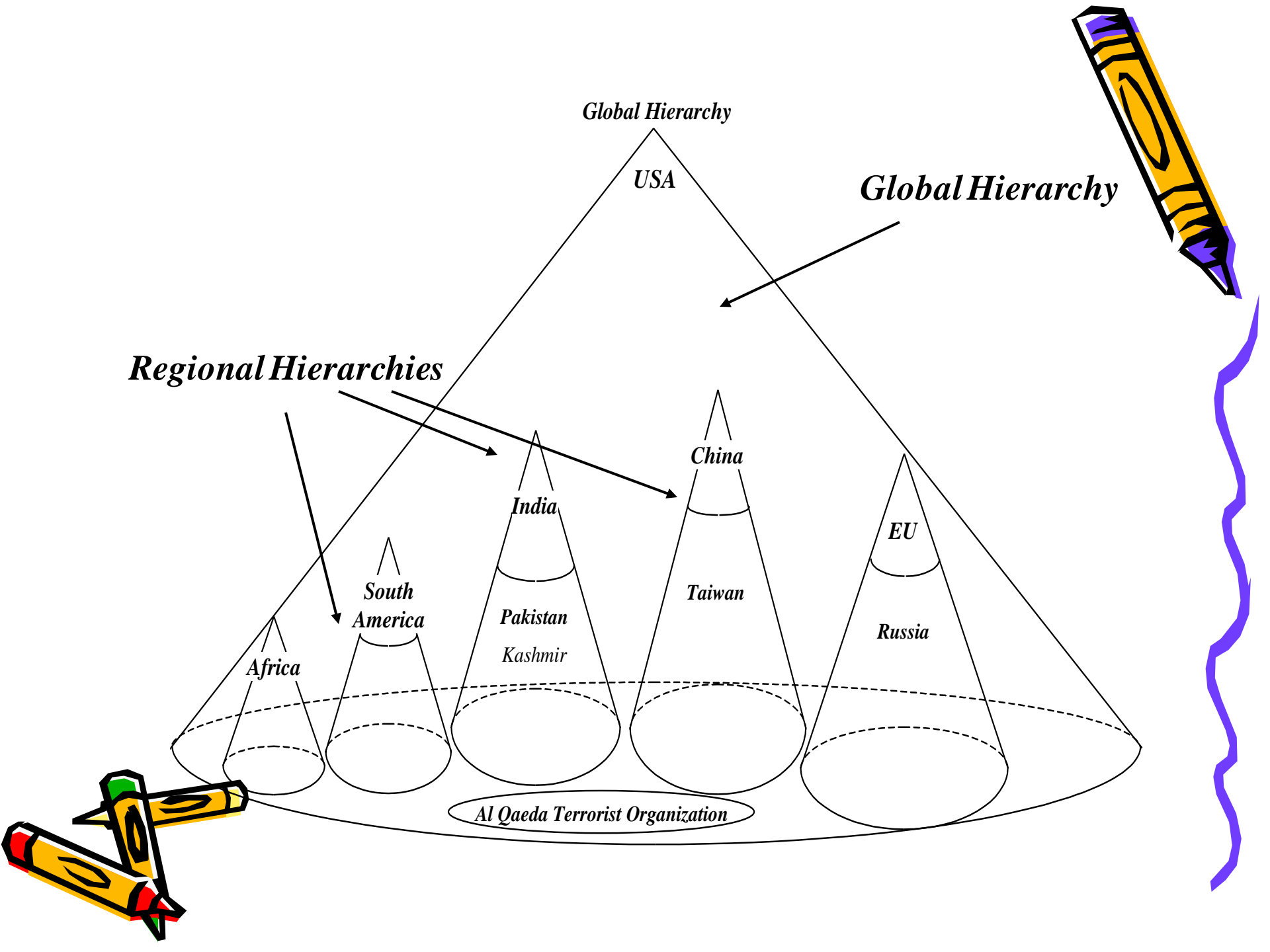
- Relative Power
 - Measure of relative power is GDP that includes the number of people who can work and fight, their economic productivity.
 - Population is a solid base but alone does not translate into power. This is apparent in the relative weakness of India, Indonesia, or Brazil - the population also must be productive for a country to be powerful.
 - For this reason developed countries have far more influence in international relations than their developing counterparts.
- Satisfaction
 - *Status quo* represented as S , is the joint satisfaction of the challenger and defender with their dyadic relationship. It reflects the set of similar policies and preferences for each dyad. We rely on Tucker's (1999) computations of the S -statistic for all alliances since 1816, and EUGene is used to aggregate the data into dyadic format (Bennett and Stam 2000a).
- Hierarchy



Measuring Hierarchies

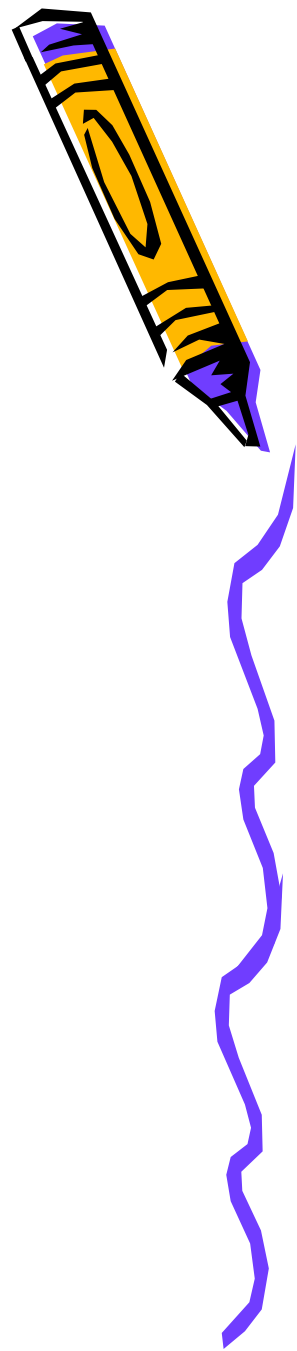
- The view of hierarchies utilized here rests on Efird (2000) and Efird et al (2004). Each region is dominated by varying degrees, by a regionally-powerful country. In turn, all nations then compete at the global level. In this formulation, even the great powers are constrained by their particular regional concerns. If their "neighborhood" is not in order or consistent with their preferences, then they are unlikely to look further abroad for a conflict.





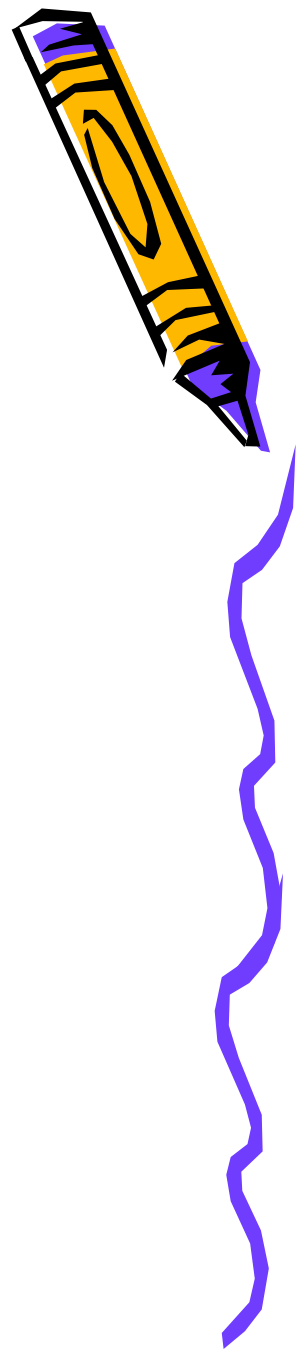
ANALYSIS

- Global power transition,
- EU as a global actor,
- Current enlargement of the EU,
- Future enlargement of the EU,
- Expected and unexpected consequences of future EU enlargement(s)!



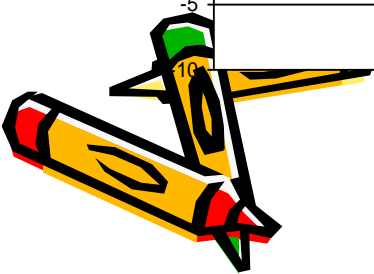
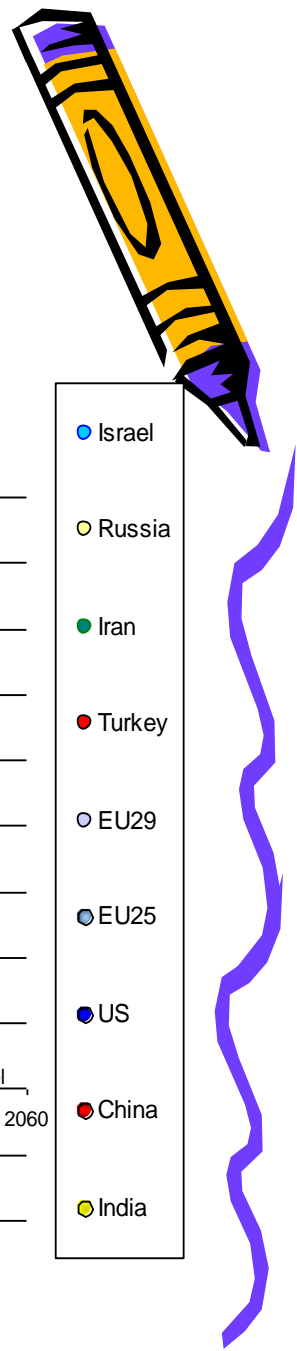
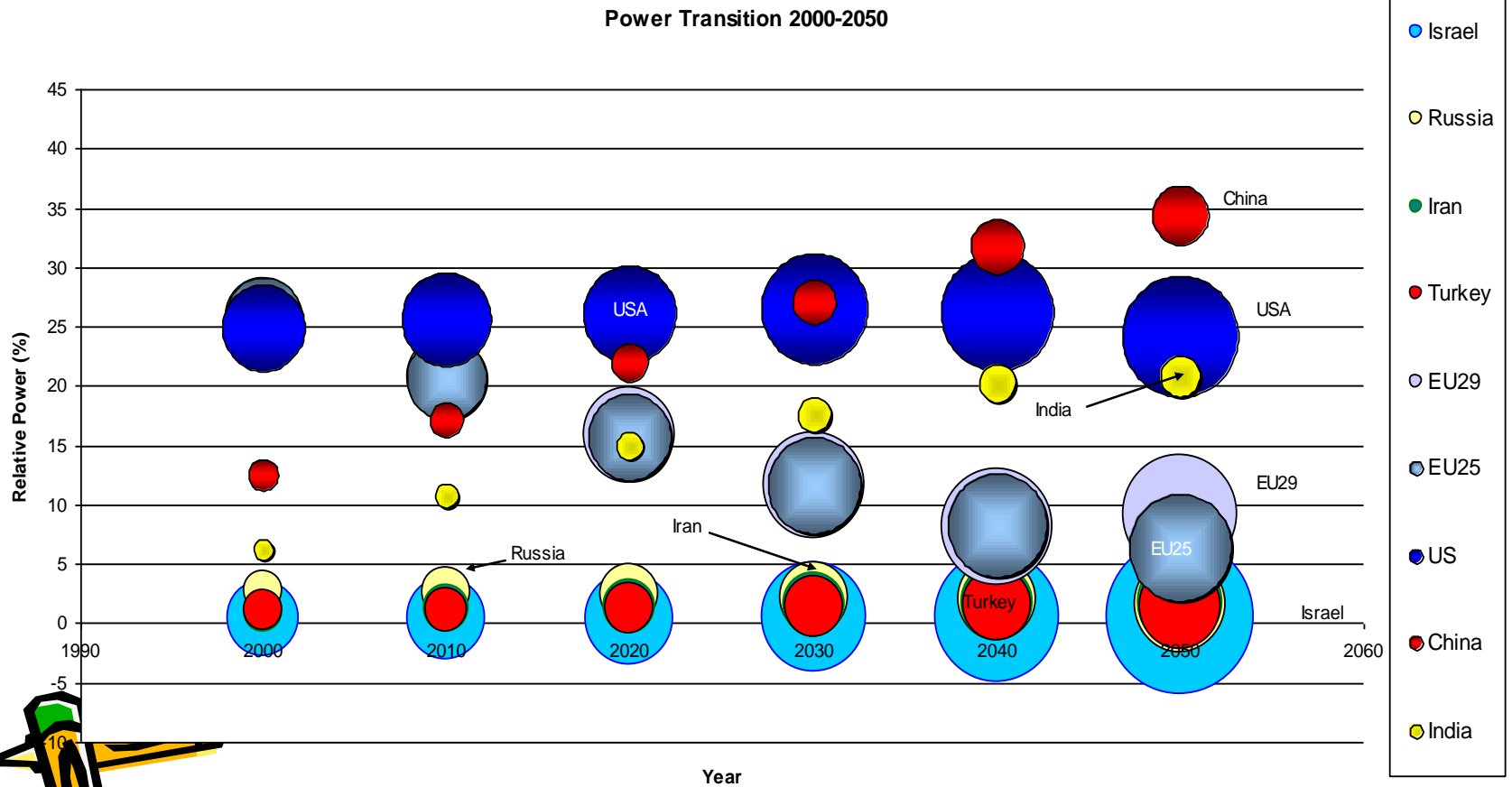
Future European Union

- EU25
- EU29
 - Add Bulgaria and Romania (2007)
 - Add Croatia (2008-2010)
 - Add Turkey (2014-2020)

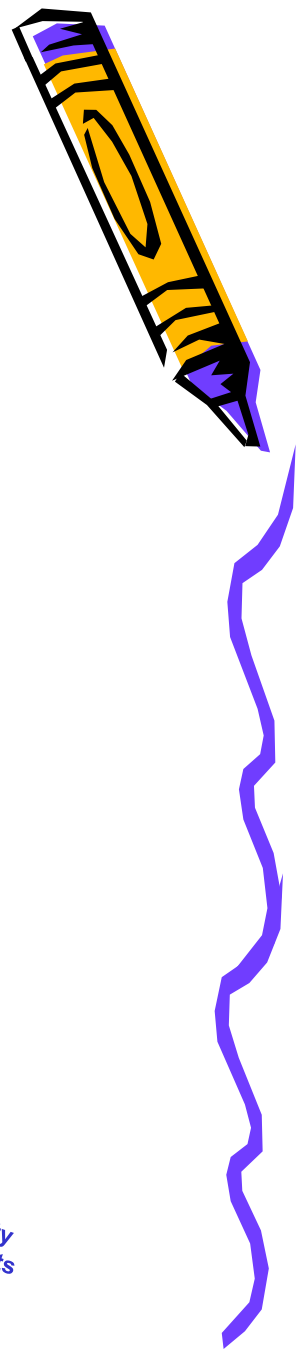
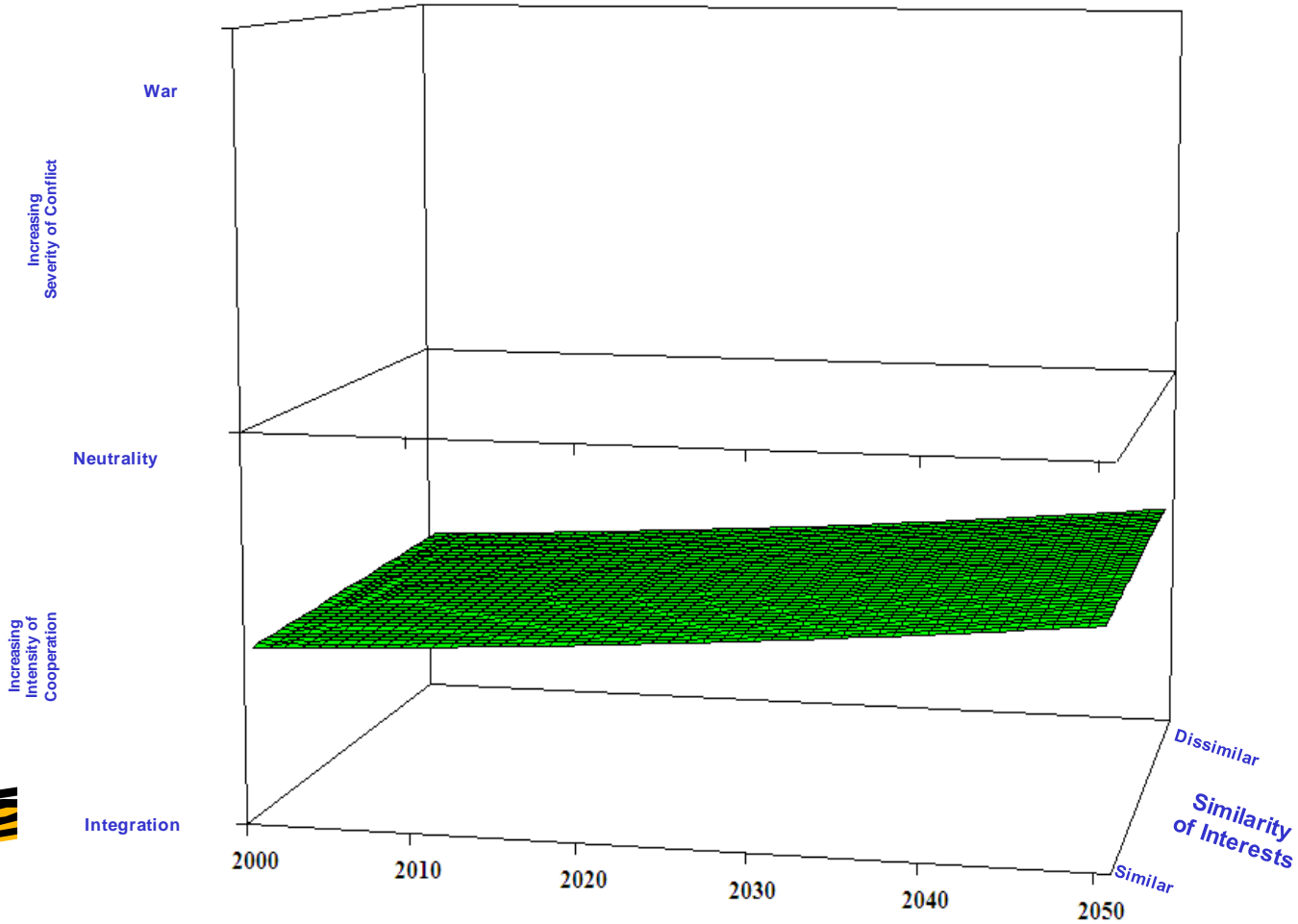


Forecasting GDP Shares and GDP Per Capita for EU25, EU29 and Global Competitors:

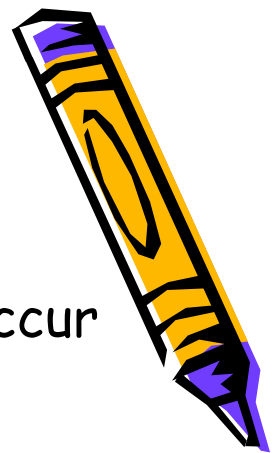
2000-2050 (size of the bubble represents per capita productivity measured in PPP)



Forecasting Conflict-Cooperation: EU25-Turkey, 2000-2050



EU Enlargement & Turkey



- The simulation results indicate no conflict is likely to occur between Turkey and the current EU25, rather the possibility of further integration extends for the near future. This is consistent with reality.
- Turkey and the EU already have a customs union agreement with increasing bilateral trade and investment between their economies. Therefore, it is highly probably that integration will continue to deepen.
- Turkey's also substantiates the expected positive contribution to EU's future growth within the global hierarchy.
- That result substantiates the Commission's findings on this subject in 2004.
- Our analysis thus suggests a likely accession of Turkey into the EU despite current rumblings among some member states' reservations about Turkey's place in the Union.



Implications of EU29 for the Middle East

GDP Share and Per Capita GDP Between Iran, Israel, Russia, and Turkey: 2000-2050

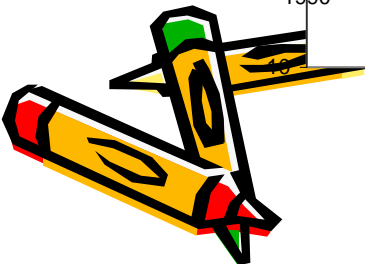
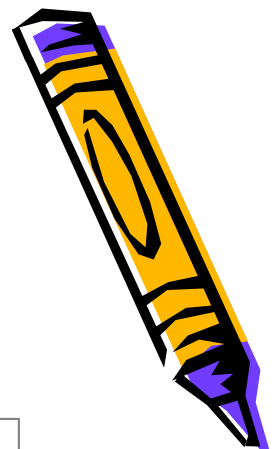
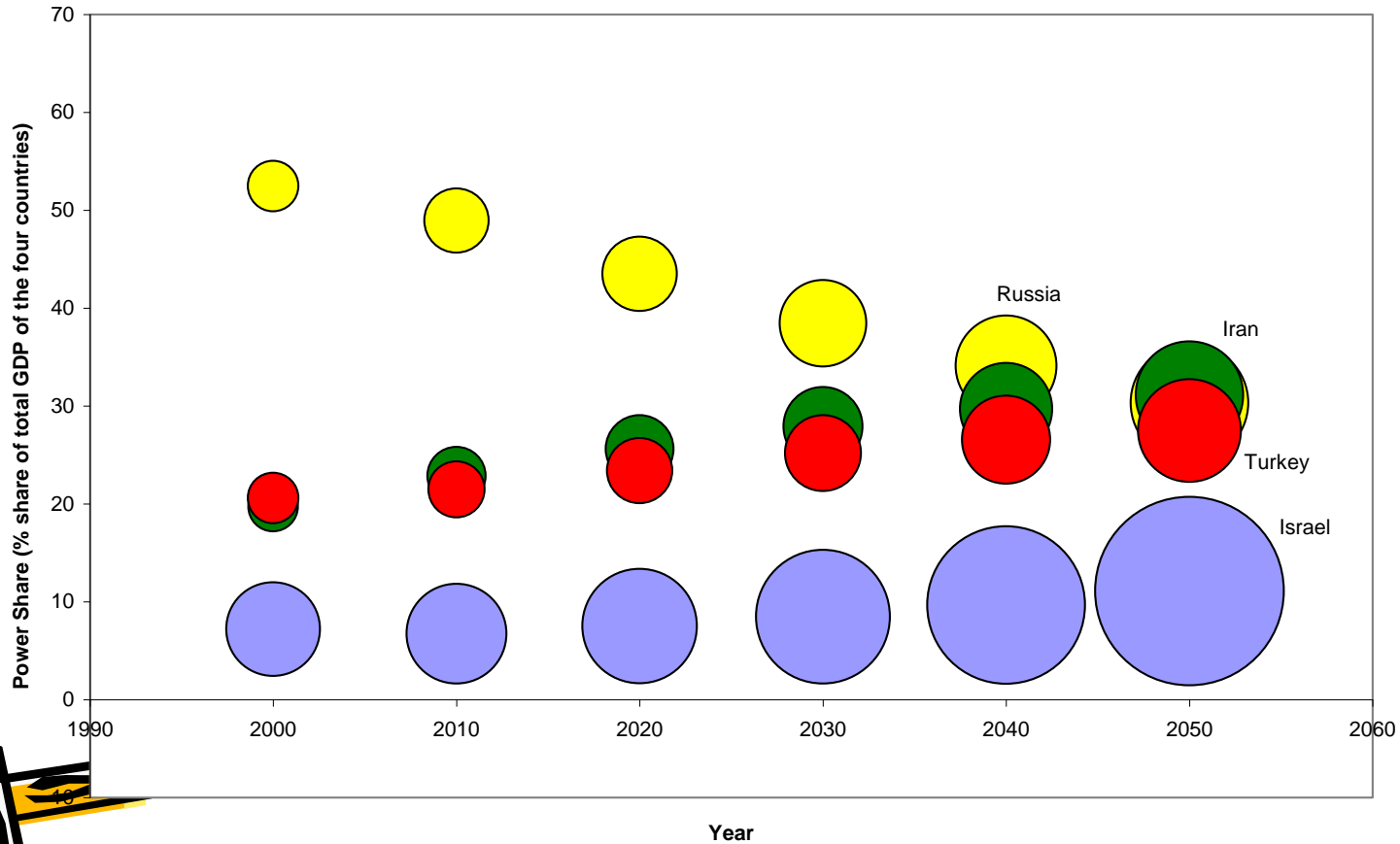


Figure 7. Forecasting Conflict-Cooperation: Iran-Turkey, 2000-2050

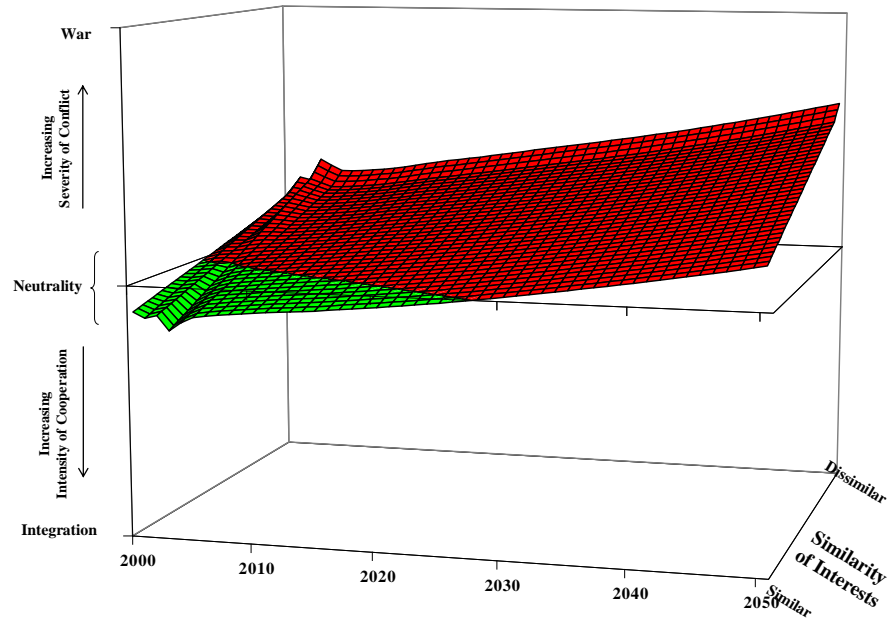


Figure 8: Forecasting Conflict-Cooperation: Iran-Russia, 2000-2050

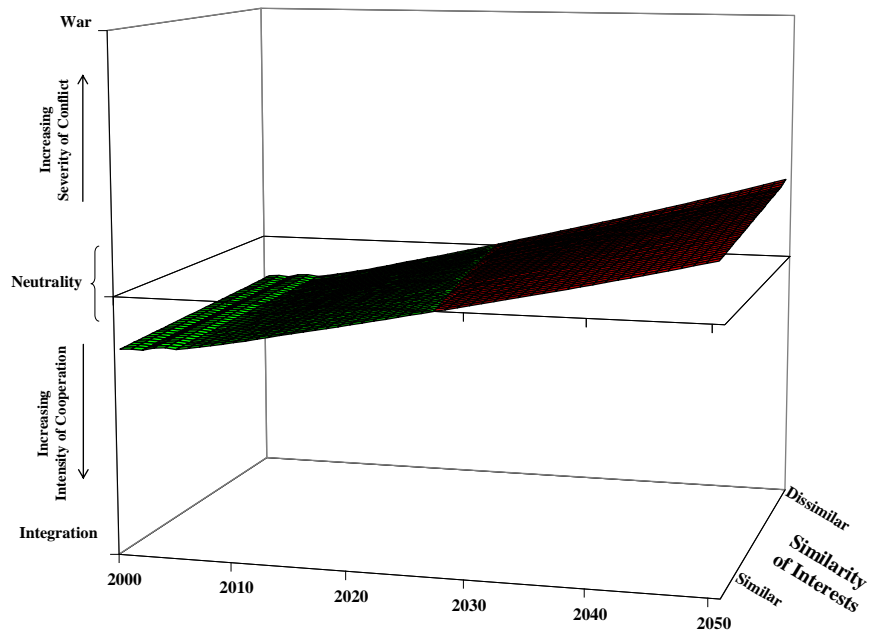


Figure 9: Forecasting Conflict-Cooperation: Russia-Turkey, 2000-2050

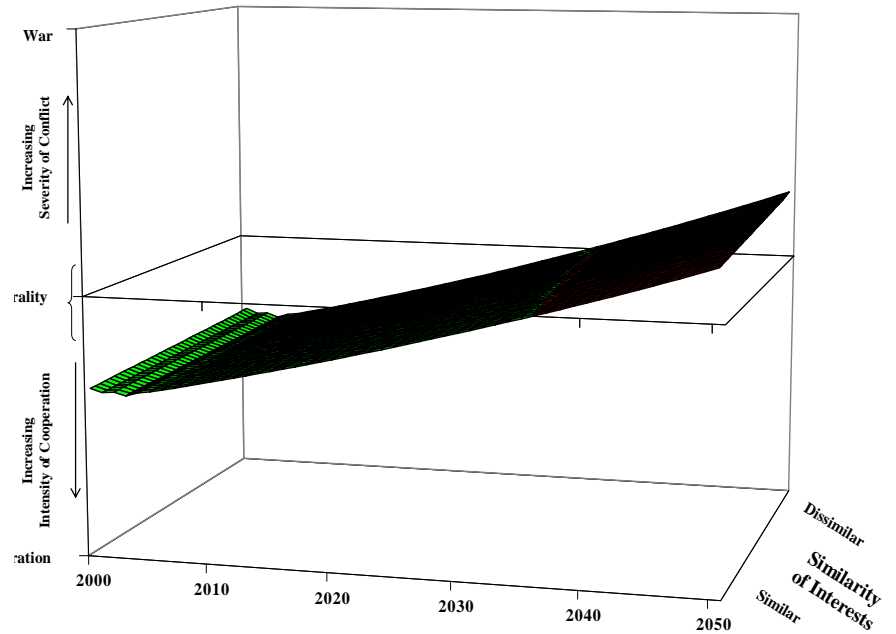


Figure 10: GDP Shares and GDP Per Capita Between EU29 and Iran: 2000 - 2050

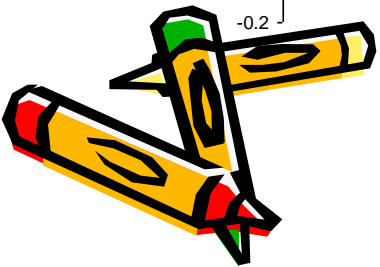
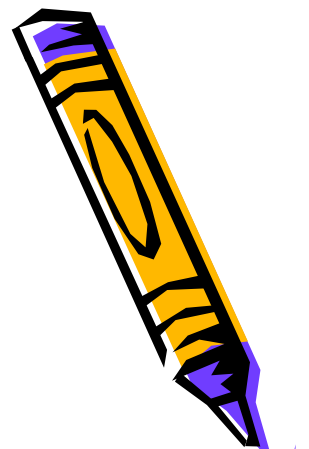
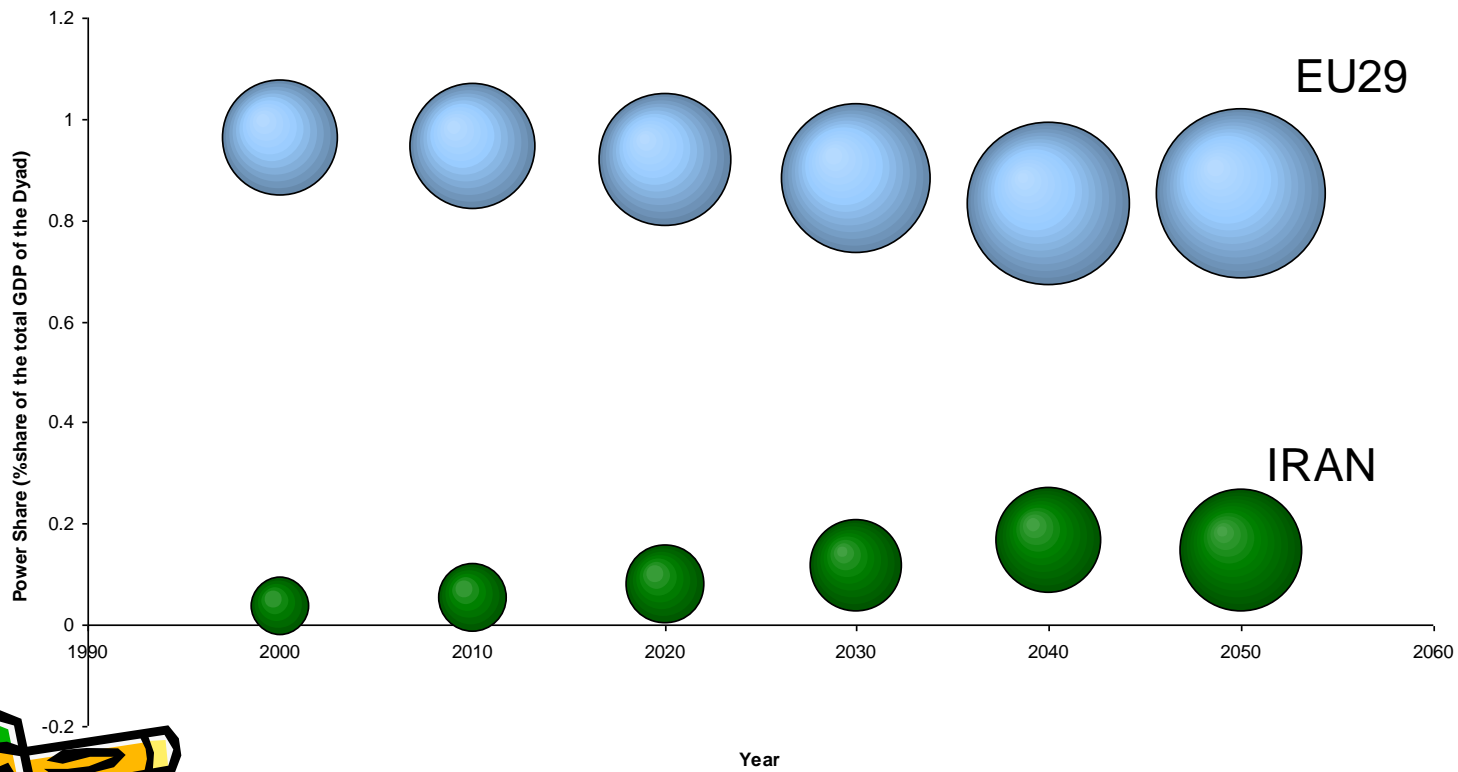
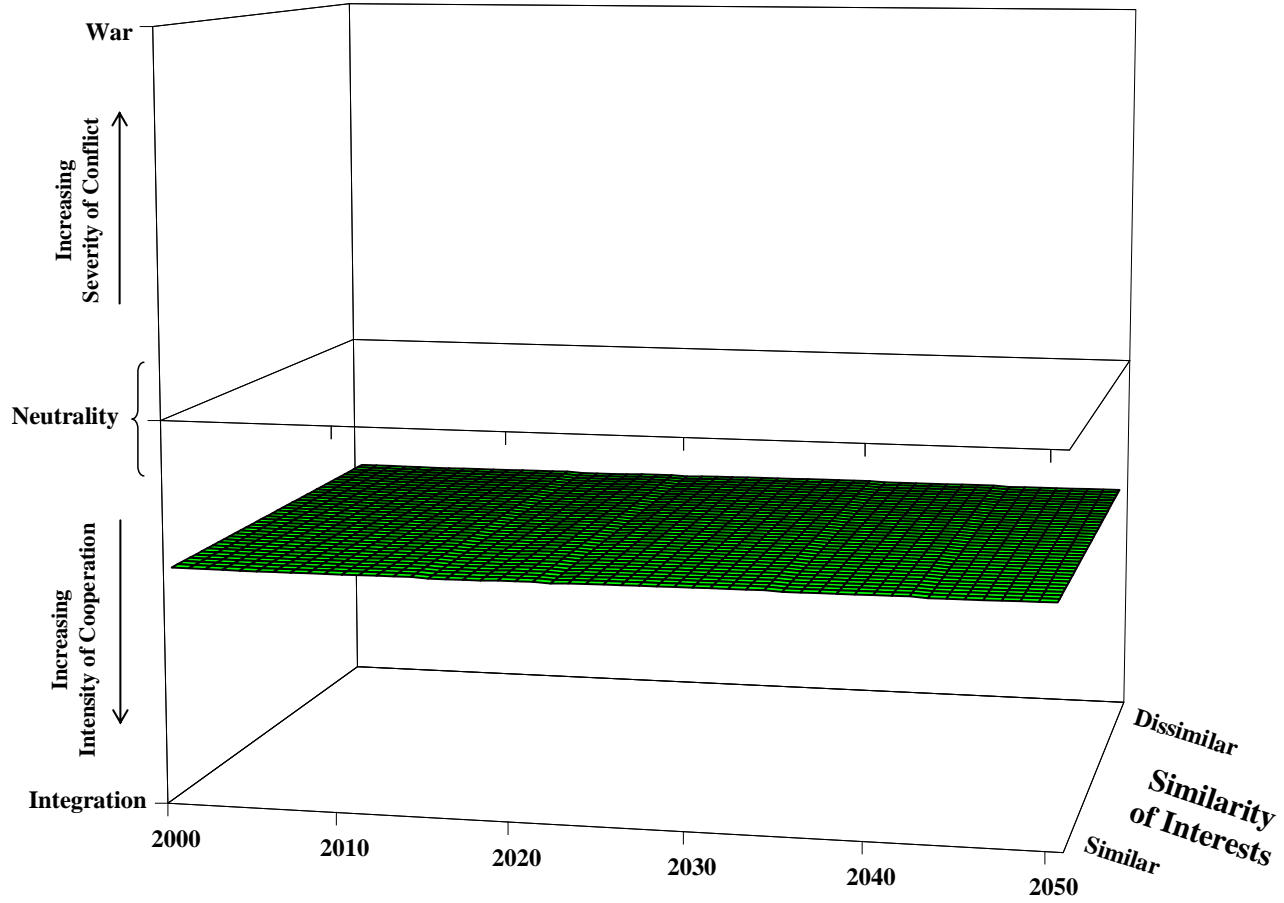
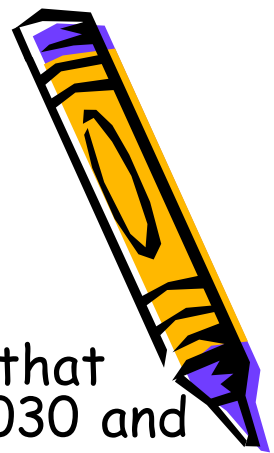


Figure 11: Forecasting Conflict-Cooperation: EU29-Iran, 2000-2050



Conclusions



- Findings in this paper reaffirm the earlier global results that China is expected to reach parity with the US in 2025-2030 and move ahead to be the largest economy in the world.
- The US, will continue to have largest per capita productivity among the three giants and will retain its second rank status way into this century.
- The economic future of the EU, is not quite as promising.
 - Regardless of its enlargement plans, the EU will fall behind the others giants becoming the third largest economy.
 - Part of the expected decline in its GDP share could be offset by adding Turkey.
 - Contrary to current public opinion in the EU, it is only after Turkey's accession that EU's economic decline levels off and starts to increase in its projected per capita productivity.



Conclusions cont.

- Turkey's EU membership will have important implication for regional stability in the Middle East.
- Russia's dominance in northern Middle East is in decline while Iran and Turkey appear to be the regional challengers.
- There exists parity between Iran and Turkey with the former slightly moving ahead in the next 40 years.
- We also observe that dyatic relationship between Iran and Turkey is one of high probability of conflict that intensify very quickly with time.
 - competition for influence in the Caucasus, Central Asia, and Iraq.
 - they represent two polar opposite political systems of the region - Iran is a Shi'a theocracy while Turkey is a Western style secular (*laicist*) democracy.
 - Iran's pursuit of nuclear weapons.
 - Future of Iraq.
- Turkey's membership in the EU would stabilize the volatile Middle East by removing Iran's growing challenge in the region.
- Turkey's membership in the EU should be encouraged by leaders of the Transatlantic Alliance to stabilize this volatile region.

