

European Defence Dependence on the U.S. and Its Geoeconomic Implications towards European Single Defence Market

Peiran Wang

Institution: Brussels Research Institute on Development, Governance and Empowerment, through law, Vrije Universiteit Brussel, Belgium

Email: peiran.wang@vub.be

Abstract: This paper conducts a study into the exercise and development of US structural power in the transatlantic defense industries and offers a geoeconomics explanation for US dominance in the sector. It emphasizes the role of legal jurisdiction and spatial dimensions of defense industrial-capabilities development in perpetuating US structural power in global defense value chains. The goal of this paper is to apply the concept of extraterritoriality to the study of structural power; how it is acquired, and how it is used. It explains why we should consider extraterritoriality as a feature of US structural power in global defense industries, taking the example of export control, and suggests three features to help illuminate the concept: Power in global value chains, legal-jurisdictional power, and alliance-based power. The paper first explains how the US acquired the policy tools and leading market position for projecting extraterritorial power in the defense industry during the late twentieth century, how it then utilized its structural privileges to target European regional market, and finally, the current and potential constraints on its deployment based on the reactions of European and US transnational corporate actors.