

History and Theory of European Integration



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JEAN MONNET European Module

Theorizing the new Europe

Changing Context of European Integration

the old and new paradigms and theoretical synthesis

Readings for the lecture

- Rosamond Ben. (2000) Theories of European Integration. The European Union Series. Palgrave;
- Pierson P. The Path to European Integration: A Historical Institutional Analysis (1996). The European Union. Readings on the Theory and Practice of European Integration, Nelsen B.F. and Alexander C – G. Stubb (eds.), Palgrave, 1998;
- Marks G., Hooge L., Blank K. European Integration from the 1980s: State-Centric v. Multi-Level Governance (1996). The European Union. Readings on the Theory and Practice of European Integration, Nelsen B.F. and Alexander C – G. Stubb (eds.), Palgrave, 1998;
- Nugent N. Decision-Making in “Developments in the European Union”, edited by Cram L., Dinan D. and Nugent N., Macmillan Press Ltd, 1999.

The challenge of conceptualizing the EC as a complex political system in the global world order

Persisting challenge of definition

Donald Puchala (1972) “Of Blind Men, Elephants and International Integration”, *Journal of Common Market Studies* 10.

“...different schools of researchers have exalted different parts of the integration “elephant”. They have claimed either that their parts were in fact the whole beasts, or that their parts were the most important ones, the others being of marginal interest.”

“No model describes the integration phenomenon with complete accuracy because all models present images of what integration should be or could be rather than here and now”.

Competing or complementary approaches? a brief reminder of the basics

- Socio political and academic contexts
- Scientific progress
- Ontological and epistemological foundations
 - ✓ Methodology
 - ✓ Scope
 - ✓ Purpose
 - ✓ Perspective

Functions of the Theory

- Explaining (why) and understanding (how):
focus on reasons and causes
- Describing and analyzing:
focus on the definitions and concepts / create the vocabulary
- Criticizing and developing norms and principles:
focus on the normative assessments



Area

- **Polity:** political community and its institutions, analyzing and explaining the community institutional structure; trying to find constitutional alternatives
- **Policy:** analyzing critically and reflecting on actual measures, policy styles...
- **Politics:** processes of policy making



**International Relations
versus
Comparative Politics Paradigms**

**From the Study of Integration to the Study of
Governance?**

- Institutionalism
- Multi level governance
- Policy networks
- Actor based models

Governance

“continuous political process of setting explicit goals for society and intervening in it in order to achieve these goals”

“setting goals and making decisions for an entire collectivity, including individuals and groups who have not explicitly agreed to them. ..involves a rather high level of intervention which may stabilize or alter given status quo”

Yachtenfuchs M. and Kohler-Koch B. (2004) Governance and Institutional Development in Theories of European Integration.

“a **pattern or structure** that emerges in socio-political systems as common...outcome of the interacting intervention efforts of all involved actors.”

Kooiman J. (ed.) Modern Governance: New Government Society Interactions.
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Governance functions

“ ...have drifted out of national control in the evolving EU system.”

Ben Rosamond. Theories of European Integration

Structure – Agency debate

Questions on the role of supranational institutions

- **Why** a group of principles would delegate powers to supranational institutions?
- **Under what conditions** might powers be delegated to the agents?
- **What conditions** are definitive for the pattern of delegation?
- **What if** the agent behaves in a way divergent from the preferences of the principles?
- **Can control mechanisms** be effectively employed?

Institutions

- “provide contexts where actors can conduct a relatively higher proportion of positive sum bargains.
- offer information-rich venues where transparency prevails and where trust is high.
- Act as intervening variables between actor preferences and policy outputs.”
- Act as a comprehensive institution in which the member-states are embedded in a system of information and assessment, creating pressure for compliance or norms abiding behavior

Institutionalisms

Mid level theories focused on
the effects of institutions as intervening variables
in politics

Broad Sociological Institutionalism: definition and approach

- Institutions include **informal norms and conventions** as well as **formal** rules.
- Institutions are **shapers of behavior** and **cognition**.
- Institutions **constitute** actors by providing cognitive scripts and templates.
- Actors follow logic of appropriateness.
- Interests and identities are **endogenous** to the institutional interaction process.
- **Discourse and communicative** actions are employed as powerful strategic tools for **shaping and deploying** ideas, beliefs, knowledge, norms.

Rational choice / Transaction costs approach

- Institutions are defined as **formal legal entities** and **sets of decision making rules imposing obligations** on the self interested political actors
- Political institutions are **designed deliberately** and systematically to **minimize the transaction costs** associated with making public policy.
- Institutions act as agents/ preference formation is **exogenous** to institutions.
- Institutions **operate within** the boundaries set by the member states but can exploit the differences between the member states' preferences for supranational entrepreneurship.
- Institutions ensure **equilibrium and stability**.

Historical Institutionlizm: focus on account of member states' constraints

“**Why gaps emerge** in member states' control over the evolution of European institutions and public policies, **why these gaps are difficult to close**, and **how** these openings create room for actors other than member states to influence the process of European integration while constraining the room for maneuver of all political actors”.

“Evolution of rules and policies along with social adaptations creates **an increasingly structured polity** that **restricts the options** available to all political actors.”

Paul Pierson. The Path to European Integration: A Historical Institutional Analysis

Historical Institutionlism: approach

- Institutions defined as **formal rules, compliance procedures and standard operating practices structuring relationships between actors.**
- Analysis of the EU as an emergent **multi tiered system of governance** where the member states power is not only pooled, but, **increasingly constrained** by the dense institutional environment.
- Rejection of **functionalist** explanation for institutional design.
- Emphasis on the **effects of institutions** on politics over time.

Historical Institutionlism: Method

- Historical analysis of the processes unfolding over a long period of time
- Analysis of the evolution of processes **embedded in the institutions**

Historical Institutionlism: key assumptions

- “Actors ...carry out institutional and policy reforms that fundamentally transform their own positions (or those of their successors) in ways that are **unanticipated** and/or **undesired**.”
- Institutional choices taken can persist, shaping and constraining actors later in time.
- Institutions **possess the capacity to mold the goals and preferences of the principles** and thus influence political outcomes.
- **Divergences** between the institutional and policy preferences of member states and actual functioning of the institutions and policies **can not be closed**.

Factors Causing the Gaps

- Restricted time horizons of the national actors
- Autonomous actions of the supranational institutions
- Significant potential for unintended consequences
- Changes in the decision makers' preferences over time

Barriers to bridging the gaps

- **Resistance** of the EC institutions and their **expanding authority**
- **Institutional obstacles** to reform
- **Sunk costs** incurred in the previous actions
- **Path dependence** in which policy decisions inherited from the past provide incentives to perpetuate in institutional and policy choices

Multi Level Governance perspective

- Seeking to avoid **state centrism** and **sui generis treatment of the EU**
- Treating the EU system as a **polity** with authority **dispersed** between levels of governance
- Linking **policy making** and **institution building**
- Integrating **competition for political power** into analysis
- Allowing **normative consideration** on political order

Multi level governance model

- “decision-making competencies are shared by actors at different levels”
- “collective decision-making among states involves a significant loss of control for individual member states’ executives”
- national “political arenas are interconnected rather than nested”; “states are an integral and powerful part of the EU, but they no longer provide sole interface between supranational and subnational arenas”

*Marks G., Hooge L., Blank K. European Integration from the 1980s:
State-Centric v. Multi-Level Governance*

- **Boundaries** between different levels of governance become less and less clear cut.

The European Union Policy – Making

Who Decides What in the EU?

- EC role in overcoming transaction costs and acting as a broker
- EC legislative initiative authority and consensus building capacity
- EP legislative powers and advisory capacity
- Influence of the transnational interest groups

Policy Initiation

Commission – setting the agenda

- Formal power to initiate and draft legislation
 - ✓ EC and EP right to request the Commission to produce proposals
 - ✓ Advisory / management / regulatory committees
 - ✓ EC ratifying common opinions/ resolutions/ agreements/ recommendations
 - ✓ Regional governments initiatives
 - ✓ Private and public interest groups demands
- Process manager
- Interlocutor
- Expertise and competences / information bearer and manager
- Provider of infrastructure for information and knowledge exchange
- Hub for networks

Decision – making

European Council and the Council of Ministers – main legislative body

- QMV

- ✓ Right of Council President and Commission to call a vote

Amendments to council's Rules of procedure July 1987

- ✓ Transformation of the “vital national interest” notion

- ✓ Unanimity decision – making principle perseverance

Levels of Implementation



- Supranational
- National
- Regional
- Local

Adjudication

ECJ

- Serves the principles long term interests of EU law enforcement.
- A means to solving problems of incomplete contracting.
- Monitoring compliance with the EU obligations.

“The Council, Commission and Parliament **interact** within a legal order which has been transformed into a supranational one through the innovative jurisprudence of the European Court of Justice.”

*Marks G., Hooge L., Blank K. European Integration from the 1980s:
State-Centric v. Multi-Level Governance*



ECJ
Commission
National courts
National authorities

“Directly binding legal authority and supremacy are attributes of sovereignty, and **their application by the ECJ indicates that the EU is becoming a constitutional regime**”

*Marks G., Hooge L., Blank K European Integration from the 1980s:
State-Centric v. Multi-Level Governance*

Legislative procedures

Consultation

- EP puts forward an opinion
- Council acts as the sole final decision maker

Co-decision

*Extensive inter-institutional formal and informal
liaising and bargaining*

EC and EP agree on a text of amendments

One reading provision

- ESC and CoR are consulted
- Council unanimous support to amendments Commission does not agree with

EC and EP do not agree at first reading

Second reading provision

- Council adopts a common opinion by QMV
- Council provides its position explanation to the EP
- Commission provides its position explanation to the EP
- EP right to approve/ take no action
 - ✓ EC adopts the common position as a legislative act in case of EP approval or inaction
- EP right to amend/reject by the absolute majority of the MEPs
 - ✓ EC refers the proposal to a **conciliation committee** comprised of equal number of EC and EP representatives
 - +) a conciliation committee agrees on a joint text
 - proposal is approved by QMV of the EC and majority voting in the EP
 -) a conciliation committee can not agree on a joint text
 - proposal is dropped



Assent

EP absolute majority assent to

- membership agreements
- International agreements



Decision-making authority shared by Intergovernmental and Supranational institutions

“with the member states retaining a very substantial role in decision making, including the **exclusive power to extend or reduce EU policy making competencies.”**

John Peterson's approach based on subdivision into levels of analysis

Level	Decisive variable	Best model
Super-systemic History making decisions	Change in the wider political /economic environment	Macro theories (intergovernmentalism, Neofunctionalism)
Systemic Policy setting	Institutional change	Institutionlism
Meso level Policy shaping	Resource dependencies	Policy network analysis
<i>Peterson J. "Decision making in the European Union: Towards a framework for analysis", Journal of European Public Policy 2(1)</i>		

Jeremy Richardson's approach

A toolkit for analyzing development of a piece of legislation or emergence of EU policy competence?

Stage of the policy process	Theoretical tools
Agdenda setting	Epistemic communities
Policy formation	Policy communities / networks
Policy decisions	Institutional analysis
Policy implementation	Interorganizational / behavioural analysis

Richardson. J. (1996) "Policy making in the EU: Interests, Ideas and Garbage Cans of Primeval Soup" in J. Richardson (ed.), "European Union: Power and Policy Making" (London: Routledge).

Policy network analysis – actor based approach

Policy networks

“a cluster of actors, each of which has an interest or “stake” in a given policy sector and the capacity to help determine policy success or failure”

Peterson J. in Policy Networks and European Union Policy Making

- Serve as **venues** for pooling and exchanging information / **exerting influence**
- Facilitate reconciliation, mediation, compromise
- Facilitate policy making by reinforcing / creating norms

Policy network analysis: main propositions

- Policy networks structures **affect policy outcomes** in the discreet EU policy sectors.
- **Federal and quasi federal polities** give rise to governance by policy networks.
- Governance by policy networks **may result in legitimacy deficit.**

Policy network analysis: level of analysis and scope of application

Meso (sub systemic) level of decision making

- Cohesion policy
- Research policy
- CAP

“A **repertoire** of adaptable network systems at the EU level rather than a single pattern”

Peterson J. in Policy Networks

EU policy networks

Relatively **stable** –if **insular & resources independent**

- Highly discrete and disconnected – sectors/policies
- Expertise / knowledge based - “epistemic communities”
- Policy goals based – advocacy coalitions
- Technocratic - Comitology system
- More horizontal than vertical in structure
- Brussels based and linked to national networks

Critique

- Policy network does not constitute a model or a theory
- Policy making in EU is fluid, uncertain, diverse and too overpopulated to constitute stable networks
- Policy network analysis lacks the theory of power
- Policy network debate is vague and faces the challenge of empirical verification

Agenda for development



- Describe, explain predict the outcomes stemming from the use of new EU policy methods
- Generate clear hypotheses on networks success factors
- Develop normative propositions on EU networks structures and management



Thank you!

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Theorizing the new Europe

“Why do states invest into an enterprise that results in a de facto clipping of policy autonomy?”

Contents:

New (liberal) intergovernmentalism.

Two level games, influence of domestic policies

Readings for the lecture

- Rosamond Ben. (2000) Theories of European Integration. The European Union Series. Palgrave;
- Moravcsik A. Negotiating the Single European Act: National Interest and Conventional Statecraft in the European Community (1991). The European Union. Readings on the Theory and Practice of European Integration, Nelsen B.F. and Alexander C – G. Stubb (eds.), Palgrave, 1998;
- Hix S. The Study of the European Community: The Challenge to Comparative Politics (1994). The European Union. Readings on the Theory and Practice of European Integration, Nelsen B.F. and Alexander C – G. Stubb (eds.), Palgrave, 1998;
- Schimmelfennig F. Liberal Intergovernmentalism (2004) in European Integration Theory. Wiener A. and Diez Th. (eds). Oxford;
- Dinan Desmond, “Treaty Change in the European Union: The Amsterdam Experience”, in “Developments in the European Union”, edited by Cram L., Dinan D. and Nugent N., Macmillan Press Ltd, 1999.

Overview of liberal intergovernmentalism

by Frank Schimmelfennig

Level of abstraction	Preferences	Cooperation	Institutions
High	IR rationalist institutionalism: state actors in international anarchy, rational choice of international institutions		
Medium	Liberal theory of state preferences	Bargaining theory	Functional theory of institutional choice
Low	Domestic economic interests	Intergovernmental asymmetrical interdependence	Credible commitments

Hard core neo realist paradigm

- States are the primary actors
- European integration - intensification of interstate cooperation in the face of a common threat
- Integration outcomes reflect the balance of power of the member states
- Imbalances in the gain from cooperation result in suspicion and conflict
- European Community - “...a mechanism for interstate cooperation that fulfilled the **survival imperatives** of a group of western states in the context of emerging bipolar order”
Ben Rosamond .Theories of European Integration
- European integration will **lose momentum in a multipolar context**

Liberal state centered paradigm

- Continued emphasis on the centrality of the states
- Centrality of the relative bargaining power to the intergovernmental negotiations outcomes
- Understanding of domestic politics as a precondition to the analysis of strategic interaction among states
- Exploration of the interaction between the domestic and international
- Emphasis on strategic rationality of states
- **Integration of institutions as facilitators of positive sum bargaining into the analysis**

Liberal intergovernmentalism: assumptions

1. States are the **major actors** (“unitary actors”)
2. Foreign policy goals **shift in response to changing pressures from domestic** interest groups
3. State preferences are **neither fixed nor uniform**
4. Governments **relative bargaining power is the result of asymmetric distribution of information and benefits** of a specific agreement
5. **International institutions are designed and established to overcome** first order (achieving coordination) and second **order problems** (control over observing rules for distribution of gains):
 - Institutions design reflect the functions and specific problems of the cooperation;
 - Institutions reduce the costs for achieving the outcomes and controlling the behavior of states.

Object of study



- Actors - states
- Actors' preferences and sources of their change
- Institutional design

Actors

National polity – not the member states executives are primary actors in the EU system

“EU can be best understood as **a series of rational choices** made by national leaders. These choices responded to constraints and opportunities stemming from economic interests of powerful domestic constituents, **the relative power of each state in the international system, and the role of institutions in bolstering the credibility of interstate commitments**”

(Moravcsik A. (1998) The Choice for Europe: Social Purpose and State Power from Messina to Maastricht. Cornell University press)

National executives play games in two arenas

- At the domestic level seeking power and building coalitions for support
- At the international level seeking bargains to meet the demand of domestic constituencies
- Membership of organizations such as the EU strengthens the domestic autonomy of the governments
- States respond rationally to the domestic demands in formulating agendas for bargaining
- States act rationally in interstate bargaining responding to the supply side constraints of possible bargaining outcomes

Preferences

- “Domestic preferences reflecting the **competitiveness of national economy** act as a filter between the structural incentives of international economy and the national preferences”

(Schimmelfennig F. Liberal Intergovernmentalism (2004) in European Integration Theory. Wiener A. and Diez Th. (eds). Oxford)

- **Ideological geopolitical preferences** can influence national preferences
- Preferences are **issue specific**
- **International interdependence** can serve as a catalyst of societal demand for integration through “powerful domestic coalitions of actors that have been liberated by the intensification of national economic interdependence and whose preferences coincide with the widespread of EU economic space”

Integration

- a means **to secure economic and political advantage through intergovernmental bargaining on distribution of gains**
- a means of solving **common** problems emanating from the **domestic and global** problems

Institutions

Institutional arrangements can **affect** state actions by influencing

- “the flow of information and opportunities to negotiate;
- the ability of governments to monitor others’ **compliance** and to implement their own commitments – hence their ability to make credible commitments in the first place; and
- prevailing expectations about the solidity of international agreements”

*Keohane R. (1989) Neoliberal Institutionalism: A Perspective on World Politics”,
in Keohane R. International Institutions and State Power: Essays in International Relations (Boulder, CO: Westview)*

Institutional design

- driven by governments' objective to overcome high transaction costs and information asymmetries
- supranational institutions assigned role in the second order issues
- the **degree of pooling of sovereignty** or delegating to supranational institutions dependant on **the value placed on the outcome**
- delegation to supranational institutions as **a safeguard against short term preferences of the governments**

Three assumptions about EU integration process

- states enter the integration process voluntarily
- interstate bargaining takes place in information rich environment
- transaction costs are low

Summing up the key presumptions for the EU integration process

- **EC politics is the continuation of domestic policies and result of national initiatives**
 - ! Nation states change **as the result of their participation in the integration.** EU embeds itself in the domestic policies of the member states which leads to changes in domestic policies and institutions.
- **Bargains reflect the relative power positions of the member-states and converge toward the minimum common denominator principle**
 - ! Emerging decision:
 - are unlikely to satisfy any particular state preference
 - do not amount to a rational optimum of the various preferences
 - represent a **local optimum** in the cost benefit calculations of all participants



Summing up of the key presumptions for the EU integration process

- **Threat of exclusion as a tool coercing a state to accept the outcome it does not prefer to the status quo**
 - ! States are prepared to compromise to ensure their influence **over future decisions shaping**
- **Unanimity as the key tool of sovereignty protection**
 - ! QMV

Summing up of the key presumptions for the EU integration process

- **Member states define the institutional arrangements without granting of open ended authority to central institutions**
- ! International regime contributes to shaping interstate politics by providing a common framework that reduces uncertainty and transaction costs of interstate interactions
- ! Supranational institutions (Commission) possess the ability to gain advantage from the diversity of preferences among member states and their ability to play off divided domestic interests on the other
- ! Supranational Institutions (ECJ) possess the capacity to gear the integration process

The intergovernmental approach: limitations and dilemmas

1. reflects the understanding of the process held by the **national political actors** themselves;
2. reflects **political preferences** of a range of actors within the EU
3. some assumptions **preempting** conclusions:
 - chosen **level of analysis is national governments** acting within the intergovernmental setting applied to grand bargains;
 - integration outcomes studied **as the product of intergovernmental games**;
 - **case selection** (EC, IGC, Treaty amendments) excludes alternative explanations;
4. difficulties **gaining ex ante information**, hence problems of empirical refutation
5. poses question on the capacity to **explain other phenomena** than the intergovernmental bargains
6. neglect of integration dynamics (ECJ)

Neo-Neofunctionalism

Déjà vu, all over again?

Philippe C. Schmitter (2003) “Neo- Neofunctionalism” in Antje Wiener and Thomas Diez (eds), *European Integration Theory*. Oxford university press.

The two dimensional matrix of contending theories of regional integration:

- **Ontological dimension:**
assumption of **reproductive or transformative** nature of the process
- **Epistemological dimension:**
evidence based on **dramatic political events** or upon **prosaic socio-economic cultural exchanges**

Neo functionalism – transformative and rooted in observation of gradual, normal, unobtrusive exchanges across a wide range of actors

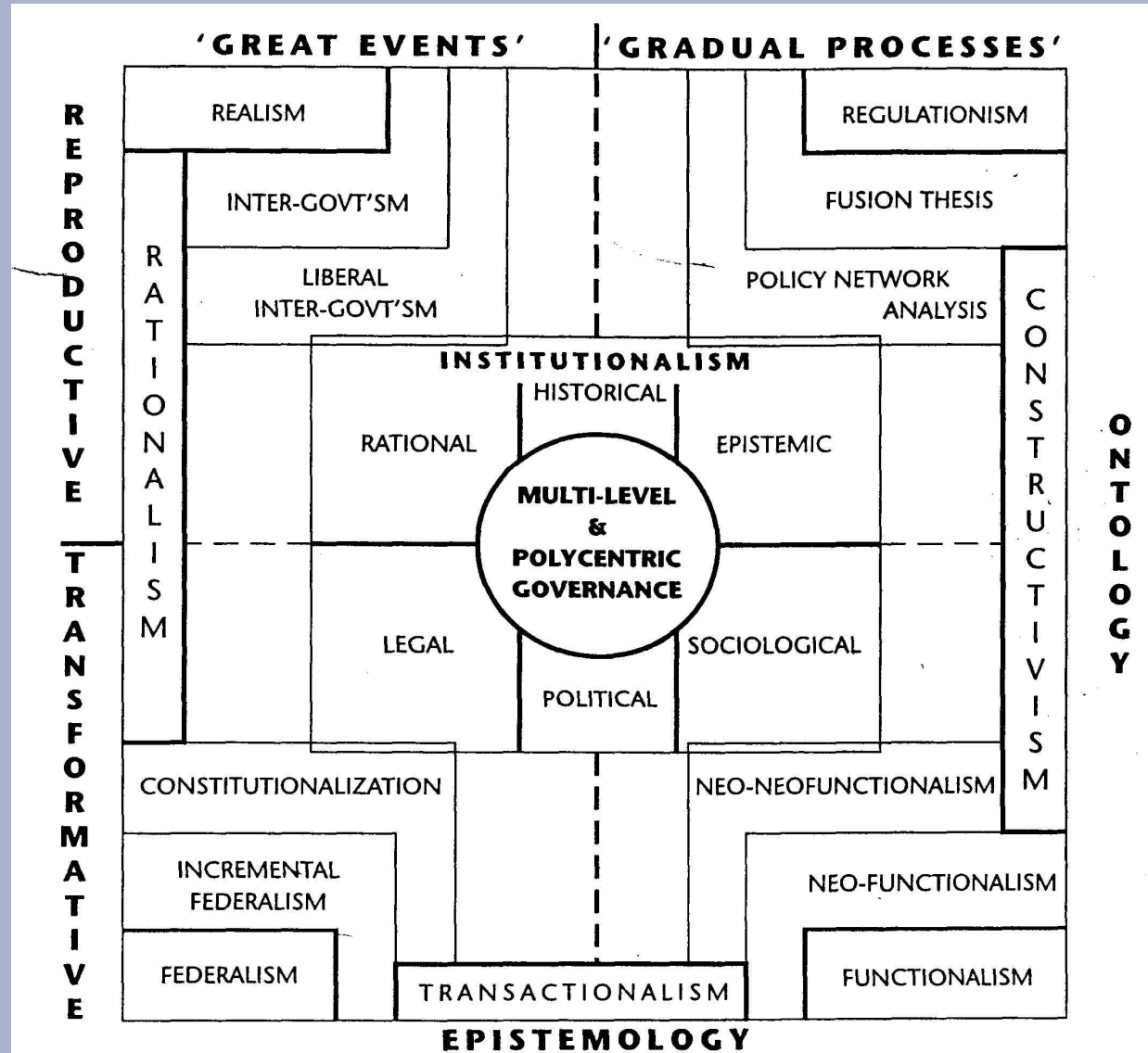


Fig. 3.1 Theories of regional integration: ontology x epistemology

More than “thirty years later” Critical afterthoughts

A self-transforming neo-functionalist model

“The neo-functionalist model constitutes **an open system of explanation** in the sense that antecedent conditions are not perfect or even exclusive predictors of subsequent one. Error values – some exogenous, others - random values of endogenous variable – are present throughout the model although according to the hypothesis of increasing mutual determination they should decline with successful positive resolutions of decisional crises.”

The decision cycle notion and changing member-states strategies

- ✓ Initiating cycle
- ✓ Priming cycle
- ✓ Transformative cycle

Transformative cycle

1. Increase in the reform managing role of the regional institutions
2. Regional institutions' attempts at externalization
3. Domestic Status Effect
4. Fragmentation of national actors and emergence of a new superimposed wider identity
5. Formation of stable transnational coalitions
6. Increased activism by Eurocrats / reaction on the part of the government decision-makers to the erosion of their monopolistic control over certain policy areas
7. New strategy accommodating the interests of a broad transnational coalition as the result of the package deals and a new status as a global player

Transformative cycle

8. Elite values more focused on regional symbols and loyalties, while the national ones do not wither away
9. Extra regional dependence becomes partly endogenous and is no longer determined excessively by exogenous factors
10. Regional system of political parties emerges
11. Democratization of the process
12. The end-state: A multi-level and Poly-centric system of governance / “consortio” or “condominio”

Multi-Level Governance (MLG)

“an arrangement for making binding decisions that engages a **multiplicity of politically independent but otherwise interdependent actors** – private and public – **at different level of territorial aggregation** in more or less continuous negotiation/deliberation/implementation, and that **does not assign exclusive policy competence or assert a stable hierarchy of political authority to any of these levels.**”

Poli-centric Governance (PCG)

“an arrangement for making binding decisions over a multiplicity of actors that delegates authority over functional tasks to a set of dispersed and relatively autonomous agencies that are not controlled by a single collective institution”.

To conclude

“understanding and explanation in this field of enquiry are best served **not by a dominance of a single “accepted” grand model or paradigm, but by the simultaneous presence of antithetic and conflictive ones** which – while they may converge in certain aspects – diverge in so many others. If this sort of dialectic of incompleteness, unevenness, and partial frustration propels integration processes forward, why can not it do the same for the **scholarship that accompanies them.**”



Thank you!

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