

History and Theory of European Integration

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Lecture 2

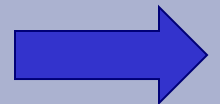
Theory of European Integration

Contents:

- The Meaning of Integration
- Federalism, Functionalism and Transactionalism
- Neofunctionalism and the Architects of the European Unity
- Neofunctionalism as the general Theory of European Integration

Readings for the lecture

- Haas B. Ernst. (2004) The Uniting of Europe. Political, Social and Economic Forces, 1950-1957. Published by the University of Notre dame Press;
- The abridged version of Haas E.B. The Uniting of Europe. Political, Social and Economic Forces 1950-1957. 1958. in The European Union. Readings on the Theory and Practice of European Integration, Nelsen B.F. and Alexander C - G. Stubb (eds.), Palgrave, 1998;
- Rosamond Ben. (2000) Theories of European Integration. The European Union Series. Palgrave; Introduction, Chapter 2, Chapter 3;



Readings for the lecture

- Mitrany D. A Working Peace System. 1943; The European Union. Readings on the Theory and Practice of European Integration, Nelsen B.F. and Alexander C - G. Stubb (eds.), Palgrave, 1998;
- Deutsch Karl W. et al. Political Community and the North Atlantic Area. The European Union. Readings on the Theory and Practice of European Integration, Nelsen B.F. and Alexander C - G. Stubb (eds.), Palgrave, 1998;
- Lindberg L.N. Political Integration: Definitions and Hypotheses (1963). The European Union. Readings on the Theory and Practice of European Integration, Nelsen B.F. and Alexander C - G. Stubb (eds.), Palgrave, 1998.

Genesis of contemporary theoretical analysis of European integration

**The three early schools of thought
and intellectual ancestors of
modern theories:**

- Federalism – Altiero Spinelli
- Functionalism – David Mitrany
- Transactionalism – Karl Deutsch

Spinelli's Strategy for the United States of Europe

The three main theses

1. The autonomous nature of the pan - European movement for the European federation
2. The European Constituent Assembly to command necessary democratic legitimacy
3. Exploitation of the contradictions of the functional approach to European integration

1. The independent movement for the European federation - a subjective condition for effective federalist action

- should unite **all supporters** of a European federation irrespective of their political beliefs, **should not be a political party**;
- should be **supranational**, uniting federalists beyond national allegiances;
- should seek **direct influence on public opinion** to be strong enough **to exercise pressure on national governments** which by their nature are both the means and the obstacles to European integration, resistant to transfer of power

2. Constituent Assembly versus intergovernmental method as an instrument of federal unification will:

- Represent the **public opinion** in favor of genuine unification;
- Represent **the parties** and the principle **democratic trends** with an international orientation and in favor of creation of transnational groups;
- Be **free of the vested interests** of the permanent agents of executive power directly dependent on the maintenance of absolute national sovereignty;

The objective condition for a federalist action

Crisis within national political systems

Spinelli's model of a European constituent procedure

- the national governments initiate a democratic constituent procedure by conferring the constituent mandate on a Convention
- the Convention draws the Constitution acting by majority voting
- the Constitution is submitted for ratification to the appropriate constitutional organs of the member states coming into force after ratification by the majority of them

3. Spinelli's critique of the functional theory

- European institutions **will be deprived of the capacity to overcome special interests** arising from the exercise of unfettered national sovereignty and to ensure the common European interests and the principle of the national veto will be retained by refusing to start with a supranational authority of a democratic character;
- the chaos and **inefficiency as the result of lack of common governance** of the interdependent economies and foreign and defense policies;
- **functional institutions** established by the unanimous decisions of national government are **weak in times of crisis**;
- the **democratic deficit** which arises when important powers and responsibilities are transferred to the supranational level without effective democratic control.

Critique of the federalist approach

- Creation of a state-like institutional order at the European level results in significant governance capacity at the European level and creates a **dangerous distance between the governors and governed.**
- External projection of the federalist logic results in **reproduction on the interregional level of the flaws of the nation state based international system** – on a bigger scale.
- Conceptual elasticity of the theory resulting in uncertainty / **absence of consensus on the terminal outcome** of European integration.

David Mitrany's Functional Alternative

A quest for a peaceful change

“What the modern world, so closely interrelated, must have for its peaceful development, is some system that would make possible automatic **and continuous social action, continually adapted to changing needs and conditions, in the same sense and of the same general nature as any other system of government.** Its character would be the same for certain purposes; only the range would be new.”

Main questions:

- Why the Covenant of the League failed to steady international relations by bringing them within the framework of a written pact?
- Would another written pact, if only more elaborate, come to grips with the pressure for change?
- **Can a federation become an alternative to a League, which proved inadequate and ineffective as an instrument of furthering the process of continuous adjustment and settlement?**
- Can we take a system which has worked well in one field and transplant it to another?
- **If the conflict springs from the division of the world into detached and competing political units, will it be exorcised simply by changing the lines of division?**
- Which is the more immediately practicable and promising in merging the states: whether **a general political framework should be provided in advance, on some theoretical pattern, or left to grow branch by branch from action and experience** and so find its natural bent?

The underlying propositions

- **Peace will not be secured if we organize the world by what divides it.**
- Positive view of human nature: **conflict is not endemic** to the world.
- Some needs would be better served by transnational institutions.
- Effective provision of welfare by transnational institutions can result in **population loyalty transfer** away from the nation state.
- Functional cooperation and coordination will result in **conflict reduction**.
- The elements of functional system could begin to work **without a general political authority**, but a political authority without active social functions would remain an empty temple.
- The **function** will determine **the executive instrument** suitable for its activity and provide for a need for reform of the instrument at every stage.
- **Economic unification would build up the foundation for political agreement.**
- Pragmatic approach to the **means and flexibility**, especially in the period of historical transition, flexibility for adaptation.

The major principle

**Universal versus regional
approach/ Functional versus
territorial approach**

***European integration - a case of
functional or territorial approach?***

A break away from traditional political ideas

“...overlay political divisions with a **spreading web of international activities and agencies**, in which and through which the interests and life of all nations would be gradually integrated.

This is the fundamental change to which any effective international system must aspire and contribute: to make international government coextensive with international activities.”

Transition from power politics to functional order is achieved by:

“organizing governments for common action along the lines of specific ends and needs, and according to the conditions of the time and place, in lieu of the traditional organization on the basis of a set constitutional division of jurisdiction and rights and powers”...without a comprehensive political framework.

Possible lines of functional organization

- Continental (railway)
- Intercontinental (shipping)
- Universal (aviation and broadcasting)

The types and grades of coordination

- Technical coordination within the same group of functions
- Coordination of several groups
- International planning for investment and development

The seven criticisms of functionalism

- The **determination of needs** is not an objective and technocratic exercise, but **fundamentally political** and inherently contestable task.
- Underestimation of the salient nature of politics and **unreasonable assumption of the ability of people and governments to move in rational directions** coupled with lack of communicative action /cognitive process elements.
- Poor record of prediction.
- Lack of scientific rigor.
- Neglect of the distinction between **background variables** prevailing at the launch of the integration (initiation cycle) and after the initial experience (priming cycle).
- Neglect of external determinants/stimuli.
- Underestimation of the influence on integration of the massive changes in economic and social organization.

Friendly endorsement from a contesting school of thought

Deutsch's definition of functionalism

a case of **partial amalgamation** where some governmental functions are delegated by the participating units on a low or high level of decision making,
as an approach to integration it seems less hazardous than any sudden attempt at over amalgamation.

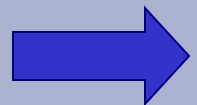
Karl Deutsch Political Community and the North Atlantic Area (1957)

**Study of “possible ways in which
men someday might abolish
war.”**

“How can men learn to act together to
eliminate
war as a social institution?”

The basic concepts

- **Political communities** – social **groups** with a **process** of political communication, some **machinery** for enforcement, and some popular habits of compliance.
- **Security community** – a group of people which has become **integrated**.
- **Integration** – attainment within a territory of a **sense of community** and of institutions and practices strong enough and widespread enough to assure **dependable expectation** of peaceful change among its population. Integration is a **matter of fact**, not of time, though the length of time over which it persists may contribute to its consolidation.



The basic concepts

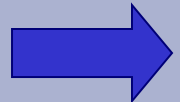
- **Sense of community** - a belief on the part of the individuals in a group that they have come to an agreement that common social problems must and can be resolved by **process of “peaceful change”**.
- **Amalgamated security community** - a formal merger of previously independent units into a larger one with some type of **common government**, which may be unitary or federal.
- **Pluralistic security community** - retains the legal independence of separate governments.

Popular assumptions revisited

- Is modern life with its transportation/communication trends conducive to growth of supranational institutions?
- Would **successful growth in the past accelerate** the rate of expansion of the amalgamated political community in the future?
- Is establishment of strong community-wide laws, courts, police forces and armies for enforcement against potential aggression one of the most important features of the newly amalgamated security-community?
- Is it necessary **to maintain a balance of power among the member states** in order to prevent any one state becoming much stronger than the others?

General findings

1. Both types of communities are practicable ways towards integration, whereas the pluralistic community is easier to achieve, **the amalgamated community is more effective in its capacity to act.**
2. The integration may have a rather **broad zone of transition**, the states may cross and recross the threshold several times over a period of decades or generations.



General findings

3. The **sense of community** relevant to integration is a **matter of mutual trust and loyalties**, mutual consideration; partial identification in self images and interests; mutually successful prediction of behavior, cooperative action - a **perpetual dynamic process of mutual attention, communication, perception of needs and responsiveness in the decision making**. Habits of political behavior are acquired in the process of social learning.

The sense of community among states would be a function of the level of communication between states.

Factors of integration

4. Integrative processes develop around **the cores of strength possessing integrative capabilities** closely connected with the general capabilities of the given political unit for action in the fields of politics, economy, administration, cultural and social development.
5. The **increase in the integrative capability** of the political organizations / governments is essential for dynamic political process leading to amalgamation. **Power - capacity to act and responsiveness - the ability to control and redirect its attention** is fundamental to the dynamics.
6. The relationship between the two rates of change - the growing rate of claims and burdens on the central governments should be met by sufficiently growing level of capabilities of the amalgamated political community. 

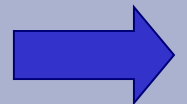
Factors of integration

7. Values and expectations

- **Compatibility of values held by politically relevant strata**, incorporated in political institutions and habits of political behavior.
- Transfer of loyalties from the old to the new institutions occurs under condition that a **great number of political and social habits are in a state of change.**
- Expectations of joint rewards through stronger economic ties or other gains envisaged for the future.

8. Capabilities and Communication process

- Economic growth
- Links of social communication between the political units and politically relevant strata within them
- Broadening of the political, social and economic elite



Factors of Integration

9. Mobility of persons

10. Multiplicity and balance of transactions

- Wide range of different common functions and services
- Balance in the flow of communication and transactions between the political units in terms of rewards, initiatives, services and opportunities.

11. Mutual predictability of behavior

- Common culture
- Dependable interchanging
- Compatible behavior

Conditions conducive to disintegration

Conditions which increase the burdens on the amalgamated governments

- Excessive burdens as the result of military commitments
- Increase in political participation on the part of population
- Increase in ethnic or linguistic differentiation or rise of awareness of existing political differentiation

Conditions conducive to disintegration

**Conditions which reduce the capacity of the
amalgamated governments to cope with the
burdens put on them**

- Prolonged economic decline or stagnation
- Relative closure of political elite and the rise of frustration of the counter elites
- Excessive delay in social, economic, political reform

Critique of transactionalist approach

- Problems of measurement and operationalization
- Lack of clarity **on mechanisms** through which the key processes operate
- Lack of evidence to support the assumption that increased communication would necessarily lead to **cognitive change**



The Uniting of Europe

1950-1957

(1958-1968-2004)

The key concepts of Ernst B.Haas' analysis: Political community

“**Political community** is a **condition** in which specific groups and individuals show more loyalty to their central political institutions than to any other political authority, in a specific period of time and in a definable geographic space.

More important: sufficient body of general **consensus imposes limitations upon the violence of group conflict.** These limitations are the basic agreement on the means for settling differences, even if consensus as to the ends of political action can be achieved only at such high level of abstraction as to be irrelevant to the analysis of political conduct.”

The key concepts of Ernst B.Haas' analysis: Political integration

“Political integration is the **process** whereby political actors in several distinct national settings are persuaded to **shift their loyalties, expectations and political activities towards a new center**, whose institutions possess or demand jurisdiction over the pre-existing national states.

The end result of political integration is a political community, superimposed over the pre-existing ones.”

The key concepts of Ernst B. Haas' analysis: Group conflict

Group conflict is inherent to the process

Competing activities of permanently organized interest groups and political parties are carriers of values and ideologies whose **opposition, identity or convergence** determine the success or failure of a transnational ideology.

Central political institutions

Central political institutions capable of translating ideologies into law and a **collective national consciousness** are the cornerstones of the political community concept

The key concepts of Ernst B.Haas' analysis Central - Federal - Supranational

Supranationality means the existence of government authorities closer to the archetype of federation than any past international organization, but not yet identical with it.

Conceptualization of political integration

relies on **the perceptions of interests by the political actors** participating in the process

- National governments
- Political elites (national and supranational parties, interest groups, industrialists)
- Supranational institutions

Indicators of established community sentiment (based on political behavior analysis / process focused)

- Interest groups and political parties endorse **supranational action** in preference to the action of the national government
- Interest groups and political parties **organize on the transnational level** to function effectively vis-à-vis the national governments or central authorities
- Interest groups and political parties cooperate on the basis of **common ideology beyond the national level**
- Interest groups and political parties succeed in **evolving a doctrine common to all, a “new nationalism”**
- Interest groups, political parties and governments **accept the rule of law of the supranational court decisions**, when opposing the decision they channel their objection through the legal avenues provided
- Governments negotiate with one another in good faith, and **give way in negotiations finding themselves in the minority refraining from the veto right.**

Indicators of development towards the political community

- The **starting positions** of the key interest groups, political parties and governments **towards intention to integrate** or to a treaty formalizing the action:
 - ✓ *Agreement? Identity of aspirations? Convergence of interests?*
 - ✓ *Opposition? Identity of aspirations? Convergence of interests?*
- **Shifts of positions** after the advent of the central institutions.
 - ✓ *Positive or negative?*
 - ✓ *Are the new patterns attributed to national or supranational influence?*

Assessing the political community development:

in terms of community sentiment indicators and relating the findings back to the earlier positions.

The nature of the ECSC

- “Sui generis not only in the legal and institutional sense but also in the form of the relationships it sets up among civil servants and ministers, trade unionists and cartel executives, coal consumers and administrative lawyers.
- 1957 “Even though **supranationality in practice has developed into a hybrid in which neither the federal nor the intergovernmental tendency has clearly triumphed, these relations have sufficed to create expectations and shape attitudes which will undoubtedly work themselves out in the direction of more integration.** As compared with conventional international organizations the supranational variety clearly facilitates the restructuring of expectations and attitudes far more readily”.
- Thus, the early years of **the central institutions development proved their role and capacity to act as a “precipitating unity”.**

The key general findings of the analysis (1958)

1. The initiation of the integration process does not require absolute majority support, nor need it **rest on identical aims** on the part of the key participants.
2. Acceptance of a federal scheme is facilitated if the participating state units are already **fragmented ideologically and socially**.
3. Acceptance of the integration scheme is facilitated if the participating groups, political, industrial, labor, have a **tradition of consultations and shared values**.
4. Integration process is facilitated by existence of an **external threat, real or imagined**. 

The key general findings of the analysis (1958)

5. The central institution once established will affect political integration process **if it acquires the capacity to raise positive expectations.**
6. **Group pressure will spill over into the federal sphere** and add to the integrative impulse.
7. National governments may attempt to sidestep, or sabotage the decisions of the federal authority, however, in the long run they tend to defer to federal decisions.



The key general findings of the analysis (1958)

8. The major interest groups determine their support or opposition to the central institutions policies **on the basis of a calculated advantage.**
9. The process of community formation will succeed if the crucial expectations, ideologies and behavior patterns of the key interest groups can be **refocused on a new set of central symbols and institutions.**
10. The “spill over” is not automatic and requires a **measure of political activism.**

These factors can serve as propositions concerning the political communities formation provided:

- The **economies are industrialized** and deeply involved in international trade and finance.
- The **societies are politically mobilized** and tend to express their aspirations through interest groups and political parties.
- The societies' **elites** are identifiable and **competing for influence**.
- The relations among these elites are governed by traditions of **democracy and constitutionalism**.



**Are these background
conditions universal or
regionally specific?**

The Haas-Schmitter model for investigation of conditions for “automatic politicization” prospects

Background conditions	Conditions at the time of economic union	Process conditions
Size of unit	Possible government purposes	Decision making style
Rate of transactions		Rate of growth of transactions
Pluralism	Powers and functions of new region-level institutions	Adaptability of governmental/private actors
Elite complementarity		
Haas, E.B. and Schmitter, P.C. (1964) “Economics and Differential patterns of Political Integration: Projections About unity in Latin America”, International organizations 18 (4).		



Leon Lindberg's exploration on conditions for political integration

I. Development of central institutions.

Precipitating unity

- The scope of competences and roles, tasks of the central institutions enabling them to activate socioeconomic processes.
- Affecting policy making through generation of consensus and new patterns of interaction impacting the overall system.
- Activation of elites: actors create political pressures for deeper integration as they become involved in the process.

II. The inherently expansive nature of the central institutions' tasks - the “spill over” principle

“Spill over” - functional linkage pressures for related sectors integration - a situation in which the initial task and grant of power to the central institutions can only be dealt with by further expanding the task and the grant of power.

These tasks need to

- be economically significant,
- connect to felt needs and expectations,
- belong to the areas of functional low politics which have a day-to-day impact on people's lives

Types of “spill over”

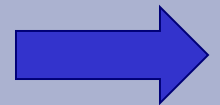
- Sector “spill over “ - ECSC - Euratom - EEC
- Sphere “spill over” - EPC
- *Geographic “spill over” - enlargements*

III. Continuity of national policy aims

- Commitment of the member states
- The decision making patterns in which conflict of interest between states is resolved, which define the nature of positive convergence and the mode of interests accommodation:
 - ✓ The minimum common denominator
 - ✓ Splitting the difference
 - ✓ Upgrading common interests

Critique of neofunctionalism

- The integration process is not an automatic, linear and/or inevitable phenomenon.
- Underestimation of the importance of nationalism.
- Reliance on a highly rational and utilitarian notion of how agents operate and perceive and hence overestimation of the loyalty transfer factor.
- Overestimation of the political actors pragmatism and technocratic method as the integration process foundation.



Critique of neofunctionalism

Background conditions though important factors for political integration should be subdivided into structural and perceptual categories:

- ✓ Perception of the equity of distributions of the benefits;
 - ✓ Perceptions of external situations and strategies to deal with those chosen by the states;
 - ✓ Perception of the costs of integration.
-

- Nye J.S. (1971) "Peace in Parts: Integration and Conflict in International Organization" (Boston, MA: Little, Brown and Co).
- Nye J.S. (1971) "Comparing Common Markets: A Revised Neo Functionalist Model" in L.N. Lindberg and S.A. Scheingold (eds), (1971) Regional Integration: Theory and Research (Cambridge, MA: Harvard University press).



Contemplation of the critique

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Schmitter's adaptation of the “spill over” concept

Alternative actor integration strategies

spillover	Increase in scope and level of the actors' commitment
spill-around	Increase in scope with the level of authority constant
buildup	Increase in decisional autonomy and capacity of the central institutions without expansion into new areas
retrench	Increase of the level of joint deliberations withdrawing the institutions
muddle about	Decrease of the actual capacity of regional bureaucracies to allocate values allowing them debate on a variety of issues
spill-back	Retreat on level and scope of authority returning to status quo prior to integration
encapsulate	Respond to crisis by marginal modifications

Seminar 1: What are the lessons from the first decade of European integration process?

- Key impulses, prerequisites, success factors, actors, methods.
- Give a neofunctionalist and a federalist analysis.
- Two presentations and a debate.

Suggested topics for essays / presentations

- Outline the main differences between functionalist and neofunctionalist approach.
- Which of Karl Deutsch's findings have been confirmed by the neofunctionalist study? What are the key points of divergence?
- How important have been the theories (functionalism, federalism) for the strategy that emerged for building the European communities, “the community method”.

Readings for the seminar

- Revision of the readings for the first two lectures



- Monnet J. A Ferment of Change. (1962). The European Union. Readings on the Theory and Practice of European Integration, Nelsen B.F. and Alexander C - G. Stubb (eds.), Palgrave, 1998;



Thank you!

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