

Theoretical Considerations on European Integration Theories

Alexandru Duță

West University of Timisoara, Faculty of Economics and Business Administration, Doctoral School,
Timisoara, Romania
e-mail: alex@alexandruduta.com

Abstract

The paper presents, in summary, the main theories of European integration: neofunctionalism, intergovernmentalism, social constructivism, federalism. From a theoretical and methodological perspective, we propose an approach starting from the meaning of the phrase “integrative theories”, developing a model of integration in stages: network governance as a phase of integration of the process of monetary, budgetary integration and ultimately political integration. Our view is that in a globalized and interdependent world, the principle of solidarity integration must prevail over the nationalist principle because the place in global society is given by power and legitimacy.

Keywords: *monetary integration; budget integration; political integration; network governance; federalism*

JEL Classification: *F010*

Introduction

Since its inception, problems have arisen as to how integrated the Union is. Some said that it is dangerous to suddenly decide too much integration - the risk of destroying the edifice - others that by doing too little, the edifice is so fragile that the idea itself can be compromised.

That was what he thought about at the beginning: a lax but achievable Union or a supranational Europe, and why not a Europe of states? At the Conference of Foreign Affairs Ministers in Rome (April 1962), the idea of a Union of European Peoples was gaining ground over the idea of a Europe of States. So, in the end, the leaner Union's thesis has gotten. Since then, a multitude of European integration theories have arisen and arisen, with discussions on the syntax of “integrative theories”.

Some consider the theories of political theory integration (Rosamond, 2000), others interpret them from the perspective of the condition of human association in a political system [polity] (Chrysoschoou, 2009), while few believe that the functions fulfilled by integration theories “attest to their status of political theories” (Ball & Dagger, 2000).

Professor Barbulescu approaches integration from the perspective of the transfer of sovereignty (Bărbulescu & Răpan, 2009), and Oana-Andreea Ion circumscribes the syntax of the “integration theories” of the actors' interaction dimension, being close to the continuous line between neofunctionalism and governance approaches).

It is important to note that Ben Rosamond (Rosamond, 2000), Antje Wiener and Thomas Diez (Diez & Wiener, 2009), Michelle Cini (Cini, 2007), had a fundamental contribution to the conceptual clarification of economic theories) and Dimitris Chryssochoou (Chryssochoou, 2009).

The Theories of European Integration

Theoretically, there have been several attempts to classify these theories (Ion, 2013). From the perspective of the PhD thesis, we opt for the next group of European integration theories (Table 1).

Table 1. Grouping of European integration theories

Big Theories	<ol style="list-style-type: none"> 1. Neofunctionalism 2. Intergovernmentalism 3. Liberal Intergovernmentalism
Middle Theories	<ol style="list-style-type: none"> 1. Multi-level governance 2. Network governance
Other Theories of European Integration	<ol style="list-style-type: none"> 1. Social constructivism 2. Consociationalism and transactionalism 3. Federalism and Confederalism

The Neofunctionalism

Appeared in the second half of the twentieth century, neo-functionalism is a logical continuation of functionalism, but not an overlapping one. If functionalists challenge the central state as a political institution, considering intrinsically good human nature and therefore forms of political organization should not be coercive, the neo-functionalists emphasize the identification of the conditions and forms of social organization that influence integration, the transfer of mentality and loyalty.

Neo-functionalists generally have the same approach as the founding architects of the EU - Schuman, Monnet. As leading representatives of the neofunctional current we mention Ernst Haas (Haas, 1968) and Leon Lindberg (Lindberg, 1963).

What is characteristic of neo-functionalists is that they put more emphasis on the integration process based on the actors involved and not necessarily on supranational structures. These supranational structures are granted more with the role of managerial skills. Thus, it emphasizes the role of the process and not of the structure, using the concepts of spillover and the transfer of loyalty (Rosamond, 2000), the thesis of the socialization of the elites and that of supranational groups of interest (Stroby, 2007). Haas understands the role of “spillover” in spreading the integration of a sector into other sectors for greater authority at the European level. He sees this process as natural, a pressure for greater economic integration. The preferred example of neo-functionalists is “the creation of the European Economic Community and Euratom only six years after the European Coal and Steel Community” (Ion, 2013).

We consider that economic integration, with the same driving effect, which we do not deny, does not automatically lead to political integration; on the contrary, this economic integration is hampered by the lack of political integration. What we consider to be true is that the drive for economic integration makes political integration a necessity.

The Intergovernmentalism

If we make a distinction between formal integration - institutionalized by decision - and informal integration - interdependence, loyalty, mutual understanding, altruism - we could calculate a coefficient of “resistance” of integration, which is somewhat more in the socio-moral area than in the area functional - institutional. Sociologically, this coefficient can be measured by the “European Index”, but in essence it is an index of “European Ethics”.

Stanley Hoffman explains this theory by not focusing on “community building” (Hoffman, 1998) and too much emphasis on national issues. This has led to the development of the “logic of diversity” over the “logic of integration” (Hoffman, 1998). Pinder even speaks of a “negative integration” (Pinder, 1998), in which we meet “low politics” in areas of common, uncontroversial.

If we consider Stanley Hoffman as the authorized voice of intergovernmentalist theory, then we have to accept that this theory focuses on those sectors of internal politics less sensitive to the sovereignty of states. He considers economic integration a priority without high political implications. The conclusion is that economic integration, cooperation, prevails, and the idea of political integration is viewed with reservation (Hoffman, 1998).

Time has proven that this approach is not feasible. Duality low politics - high politics has proved artificial. The intergovernmental reply was that “the free-to-accept state acceptance of political cooperation in order to obtain another series of advantages, different from the neofunctional pressure of the economy on politics” (Ion, 2013) was a derivative effect.

In conclusion, if neo-functionalism had a certain unity with well-defined principles and concepts, intergovernmentalism has diverse approaches centered on the main actor. From our perspective, it is a theory that is no longer feasible in the 21st century.

The Liberal Intergovernmentalism

Starting from the economic theory of rationality, Andrew Moravcsik (Moravcsik, 1993) extrapolates Adam Smith's demand-offer ratio at the nation level: the interests of countries are part of the demand that will generate an intergovernmental system capable of negotiating with economic actors. This theory is an extension of the neoliberal theory of supply and demand, identifying in liberal intergovernmentalism the influence of rational choice theory. Liberal intergovernmentalism, like neorealism, pays special attention to the major actors - states - involved in the co-operation process.

Regarding intergovernmentalism, liberal intergovernmentalism no longer regards states as a closed entity, but as generators of preferences, involving the emergence of institutions; not as emanations of states, but with a major role of cooperation and trading between states - the principle of rationality. In the process of trading states are actors that participate voluntarily in the process. There is no coercion, since negotiation between EU states is based on the premise of complete information - a basic criterion for rationality theory - and so the transaction costs become minimal. Institutions play a role of facilitators / negotiators.

Liberal intergovernmentalism regards nation-states as the main actors in the EU, focusing on the formation of internal preferences and the way of intergovernmental negotiation based on the “lowest common denominator” principle in the cost of transactions.

Although we recognize the role of liberal intergovernmentalism over the evolution of the European Union, there are plenty of criticisms (Chrysoschoou, 2009). The biggest drawback of this theory is that it attaches a very low interest to the supranational level. Or it is obvious that without European supranational institutions European integration is done with syncope.

Michelle Cini recognizes the merits of liberal intergovernmentalism in “domestic politics approach in the EU studies” (Cini, 2007), but Moravcsik's consistency and self-positioning has

made this theory a theoretical approach, with” limited explanatory capabilities only to certain sectors of the Community experiment “(Ion, 2013).

The Multi-level Governance

Over time, the concept of multi-level governance is in place in the early 1990s (Marks, 1992). Typical of this type of governance is the increase of competences at various levels and the cooperation of several political actors. Marks links the multi-level term to the interdependence of authority levels, and the term governance is the interconnection between new types of decision-makers.

More concretely, we could say that this kind of governance was generated by the need to manage European structural funds, and the need to distribute decision-making powers between different levels and actors respecting the principles of proportionality and subsidiarity. The 1988 - 1993 reforms in the management of European structural funds have generated decentralization of policies, with the European Commission involving nation-states, regional, public and private actors in regional development programs (Cugleşan, 2006). It should also be specified that this kind of governance implies some loss of sovereignty.

The European Parliament becomes a co-legislator, and in well-defined situations it has the right to veto. However, the national level remains the main place for the formation of national preferences.

The Social Constructivism

The concept of identity is the foundation of the theory of social constructivism. Alexander Wendt calls it the social theory of international politics (Wendt, 2003), and Rosamond considers it “a point of view of the nature of social reality” (Rosamond, 2000). Toderan has a more coherent definition: “Constructivism states that the international system, as part of social reality,” builds “the actors, contributes to their construction and how they define themselves” (Toderan, 2006).

In principle, social constructivism is a method of modern analysis that lies between divergent rationalist epistemologies (neorealism, neoliberalism) and reflectivist epistemologies (postmodernism, normative theories and feminism).

The Federalism

In principle, treaties produce alliances, international organizations that are limited to certain areas, but can also lead to the emergence of federal states or confederations. Even though the Maastricht Treaty is a step forward in the integration of Europe, the Union is far from being a federal state. Despite the fact that Articles 8 and 8e of the Treaty on European Union grant “European citizenship”, it has not been given substance, for fear of affecting national identity. The Amsterdam Treaty has made it clear that “citizenship of the Union may complete, but in no way can replace the status of a citizen of a Member State” (Weiler, 2009). There was fear that, in the long run, “citizenship of the Union could lead to a mutation in social loyalty from the national to the supranational one” (Smijter, 1996). Questions have been asked whether the protection of national sovereignty has an ideological or practical motivation. Some responded that motivation is more practical than ideological in nature (Newman, 1996), others, in the voice of Professor Joseph Weiler, reject the idea of a “European state, be it federal” (Weiler, 1995) because it would prevent the integration of other states. Federico Mancini (Mancini, 2009) considers that they both have a common root: “the inability to conceive the state differently than a nation or, in other words, the inability to separate the nation state” (Mancini, 2009).

In this respect, Art. 20 of the German Constitution, which provides the right to validate the “people of a state”, would appear to be the most relevant. Conditions for such an option can

only be found in nation-states. In the European Union, according to the comments of the German Constitutional Court judges, “the intensification of economic and social relations” (Weiler, 1995) has not yielded to social cohesion, we can not detect a European public opinion or a European political debate.

Federico Mancini contradicts these hypotheses, considering that a common European culture dates back to the Middle Ages, “that a large number of young people across Europe are treating their continent rather than their native country” (Mancini, 1995). There is a certain expansion of loyalty from national to European to both elites and the general public.

The author's conclusion is that a European federal state is possible and necessary. If, as decided by the Treaties of Rome, Maastricht and Amsterdam, the trajectory is towards an ever more integrated Union, “then Europe needs those well-tested institutions and procedures that only a form of organization as state can provide” Mancini, 1995).

Personal Considerations on the Theories of European Integration

Neo-functionalists over-emphasize the “drive effect”. They believe that economic integration also leads to political integration. It is a hypothesis that the history of the Union's functioning did not confirm. We cannot say that there was no “transfer of loyalty”, but that the translation from national to European was naturally done. Rather, these translations are the result of Brussels-based, sometimes commended, decisions. The thesis of the socialization of the elites proved to be a little pragmatic about the influence of national governments on the supranational dimension.

Integration on state actors rather than on supranational structure is a feasible theory for a “Cooperative Union” with dynamic developments, but not for an “Integrated Union” as the EU wants to be. On the trend of the EU, we find it unfeasible.

The intergovernmentalists have a rational position, starting from the realities of the Union - states-nations still have their own interests. In this respect, they give priority to economic integration, without high politics. But from a Union perspective, intergovernmentalist theory cannot lead to a strong Europe. We agree with them that supranational institutions serve national interests, but we also believe that certain transnational interests must be identified and prioritized.

Liberal intergovernmentalism is an approach from the perspective of Adam Smith's transactional theory. Rational choice based on complete information is the foundation of intergovernmentalism. The theory of interest is a fundamental paradigm of the economy, but it involves independent actors. Given that EU countries already have some constraints through Brussels legislation, we believe that at state level it is not applicable. The low interest in the supranational level of this theory only makes it a theoretical approach without perspective.

Federalism is a theory we embrace, but maybe Europe is not ready for political integration. Current turmoil in the Union may give the impression that federalism is a false assumption. We have questioned whether it is opportune to support such a trend as the public agenda is focused on divergences. We do not know what the future will be, but what we almost know is that integration with sovereign states and different fiscal policies is an amalgam without favorable prospects.

Network Governance, Short Term Phase of European Integration

It can be said that the theories of integration are part of the family of political theories. However, a distinction needs to be made between complex political theories (full) and middle - range theories. There are various points of view on integration theories. Simon Hix sees integration into a state-like political system (Hix & Hoiland, 2005), while others believe that the EU is neither a political system, nor an international organization, it is something between the two (Rosamond, 2000).

Of course, from a theoretical perspective, many theories on the term “European integration” can be advanced. From a practical perspective, our approach focuses on: monetary integration, budget integration and political integration (Figure 1).

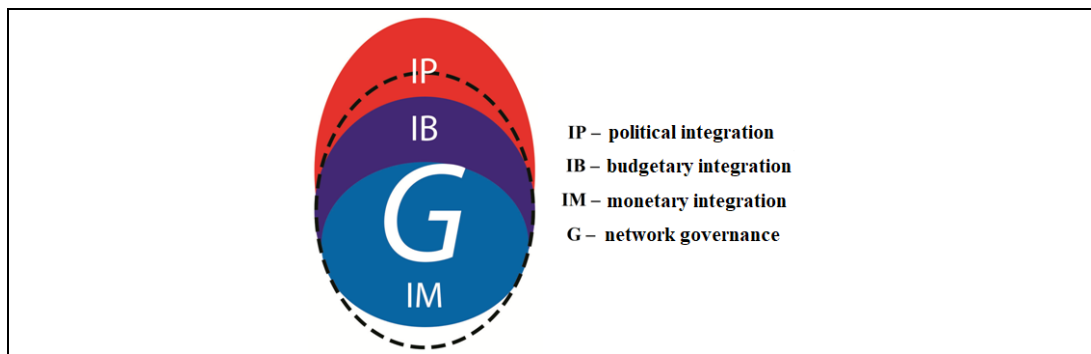


Fig. 1. The European integration model

Monetary integration has been conceived as a driver of rapid economic growth in the euro area that will ensure a peaceful and prosperous Europe. The hope of the founders of the euro was that politics would keep up with the economy. But the Nobel Prize winner, Joseph E. Stiglitz, believes that “the Euro was born with great hopes. Reality proved different” (Stiglitz, 2016). To some extent he is right. If we think that the European Central Bank is setting a single interest rate for the whole region, but in reality, the interest rate for the bonds issued by the German government is not equal to the one paid by the companies in France, Italy or Greece, we do not speak of uniformity, but of divergence. Similarly, the Troika program, the triumvirate of the International Monetary Fund, the European Central Bank and the European Commission, has had destructive consequences for the Greek economy, the local companies “have been replaced by the major European multinationals, in which case <<reform>> has increased the profits of multinationals” (Stiglitz, 2016).

We believe that a new philosophy is needed for countries wishing to join the euro. The Maastricht criteria must be met - a budget deficit of at most 3% of GDP; public debt maximum 60% of GDP; inflation up to 1.5 points higher than the average of the top three countries with the best rate; long-term interest rate 2 points higher than the average of the three better positioned countries; exchange rate stability +/- 15%, - but not enough. The 2008 crisis has shown that countries that have adopted the euro were not protected, on the contrary, the decline in economic growth was lower in non-euro area countries. Joining the euro must be done when the economy is competitive at least at European level.

Budgetary integration addresses budget deficits, public debt, external debt and fiscal convergence. In principle, Germany and France have agreed on a Eurozone budget, led by a Zone Finance Minister. One cannot speak of integration and single currency with very different fiscal policies. Budget integration is a difficult process involving institutional convergence - legal framework, banking system, trade liberalization, etc. But it must be taken as a necessary step for political integration.

Political integration is the process by which EU member states decide to shift their loyalty, aspirations and political activities to a centre that will have authority over national states. The ultimate outcome of a process of political integration is a new political community overlapping with existing ones.

Our proposal is the “target” to guide European policies in the long run. We are aware that there are still many obstacles in the short run. We do not believe in the viability of the project an “association” Europe, just as we do not see a “rapid” political integration feasible. What we believe is that the integration process needs to be rethought, and governance in the network is seen as a short-term phase of European integration.

References

1. Ball T., Dagger R., 2000. *Ideologii politice și idealul democratic*, Polirom Publishing House, Iași, 2000.
2. Bărbulescu I. G., Râpan D., 2009. *Dicționar explicative trilingv al Uniunii Europene*, Polirom Publishing House, Iași.
3. Chryssochoou, D., 2009. *Theorizing European Integration*, ed. II, Sage Publications, 2009.
4. Cini. M., 2007. *Intergovernmentalism*, in Cini M. (ed.), *European Union Politics*, II, Oxford University Press, Oxford.
5. Cuglesan N., 2006. *Multi-level governance in the EU: What Model for Romania?*, in *Eurojournal.org*, available online: <http://eurojournal.org/files/cuglesan.pdf>.
6. Diez Th., Wiener A., 2009. *Introducing the Mosaic of Integration Theory*, in *European Integration Theory*, eds. Antje Wiener and Thomas Diez, ed II, Oxford University Press, Oxford.
7. Haas E., 1961. *International Integration: The European and the Universal Process*, in *International Organization*, 15.
8. Haas, E., 1968. *The Uniting of Europe. Political, Social and Economic Forces, 1950-1956*, 2nd ed., Stanford University Press, Stanford CA.
9. Hix S., Hoiland B., 2005. *The Political System of the European Union*, Palgrave Macmillan, Basingstoke.
10. Ion, O. A. 2013. *Guvernanța Uniunii Europene*, Polirom Publishing House, Iași.
11. Lindberg, L., 1963. *The Political Dynamics of European Economic Integration*, Stanford University Press și Londra, Oxford University Press.
12. Luzarraga F. A., Llorente M. G., 2011. *Europa viitorului, Tratatul de la Lisabona*, Polirom Publishing House, Iași.
13. Mancini, F., 1995. *Europa. Pledoarie în favoarea unui stat european*, in Weiler J. H. H., *Does Europe Need a Constitution? Demos, Telos and the German Maastricht Decision*, in *European Law Journal*, 1.
14. Mancini, F., 2009. *Europa. Pledoarie în favoarea unui stat european*, in Weiler J. H. H., *Constituția Europei*, Polirom Publishing House, Iași.
15. Marks, G., 1992. *Structural Policy in the European Community*, in *Europolitics Institutions and Policymaking in the “New” European Community*, Sbragia A. M. (ed.), The Brookings Institution, Washington DC.
16. Moravcsik, A., 1993. *Liberalism and International Relations Theory*, in *Harvard University Centre for International Affairs*, Paper no. 92-6.
17. Newman, M., 1996. *Democracy, Sovereignty and the European Union*, Hurst.
18. Rosamond, B., 2000. *Theories of European Integration*, Palgrave Macmillan, Basingstoke.
19. Sidjanski, D., 2010. *Viitorul federalist al Europei. Comunitatea Europeană de la origini până la Tratatul de la Lisabona*, Polirom Publishing House, Iași.
20. Smijter, L., 1996. *The Question of Democratic Representation*, in, Kellerman W. C., Witte B. (eds), *Reforming the Treaty of European Union: The Legal Debate*, Kluwer.
21. Stiglitz, J. E., 2016. *Cum amenință moneda comună viitorul Europei*, Publica Publishing House, Bucharest.
22. Strobry, J., 2007. *Neo-functionalism*, in Cini M. (ed.), *European Union Politics*, II, Oxford University Press, Oxford.

23. Toderan, O., 2006. *Constructivismul în Relațiile Internaționale*, in *Manual de relații internaționale*, Miroiu A., Ungureanu R. S. (coord.), Polirom Publishing House, Iași.
24. Weiler, J. H. H., 1995. *Does Europe Need a Constitution? Demos, Telos and the German Maastricht Decision*, in *European Law Journal*, 1.
25. Weiler, J. H. H., 1995. *Europe after Maastricht: Do the New Clothes Have an Emperor?*, in *Harvard Jean Monnet Working Paper*, no. 12.
26. Weiler, J. H. H., 2009. *Constituția Europei*, Polirom Publishing House, Iași.
27. Wendt, A., 1992. *Anarchy is What States Make of It: The Social Construction of Power Politics*, in *International Organization*, vol 46, 2.