

Theoretical Underpinnings of European Union

Maneesha Tripathi*¹

¹Ph.D. Scholar, Department of Political Science, JamiaMilliaIslamia, New Delhi

Abstract: *The aftermath of Second World War offered a prospect of utter misery and desolation. Europeans felt hopeless and exhausted. The objective of peace went hand in hand with desire to ensure that Europe was able to get back on its feet economically after 1945. The proponents of European integration advanced theories for integration that involved gradual surrendering of sovereignty to a supranational entity. The ECSC was the first step towards European Union. The post 1945, regionalism emerged out of gradual process of integration from a six member organization to today 27 members European Union; from an inter-governmental organization to a supranational entity. The paper looks at the theoretical framework of European integration.*

Keywords: *European Union, Functionalism, Liberalism, Realism, Regional Integration.*

I. Introduction

The institutional architecture and the multi-level governance make European Union a reference point or a yardstick for regional integration experiments. EU is the only example of regional integration which has endeavoured for political integration along with economic integration where approach has been supranational. It was set up with the aim of ending the frequent wars within Europe. Extreme form of nationalism had devastated the continent. European integration was seen as the remedy to create a no war zone within Europe. This process began with the formation of council of Europe in 1949, the European steel and coal community in 1950. The ECSC was much more about just coal and steel. It was to first step forward towards federation of Europe. It was expected that ECSC would lead to shifting of loyalties of political actors in several distinct national settings towards a new centre, whose institutions possess or demand jurisdiction over the pre-existing nation state.

The Treaty of Rome established the European Economic Community (EEC or EC) in 1957, a customs union among the six member countries of the ECSC. Finally in 1992, the treaty of Maastricht was signed which laid the foundation of modern day European Union. Today the EU has 27 member countries.

The paper looks at the theoretical framework of European Union

Theoretical Framework

The integration theories came up in the aftermath of Second World War. Political scientists felt the need to develop schemes to blunt the edge of nationalism, one of the major causes behind the two world wars. Efforts were made to move the nations 'beyond the nation-state' towards a supranational entity. Regional integration theories have been mostly advanced by the liberal school. There are only two theories advanced through realist perspective. Constructivism is a social theory and appeared in International Relations (IR) only after 1980s. Though it does not provide a regional integration theory per se, but has been applied by scholars like Amitav Acharya in regional integration. Marxism, feminism and post-modernism do not provide perspectives for international organisation but provide important insights for IR, which can be used for studying regional integration.

Liberalism seek to values of order, liberty, justice, toleration into international relations. It suggests that a lasting peace is possible in IR by the coming into force of a world federation and an international system free from power politics and war. After Second World War, a group of liberals argued that transnational cooperation was required to solve common problems. This group of liberal came to be known as pluralists. According to the pluralists, state was not the sole actor in world politics, but non-state actors too, have come to play important role. After being criticized by realists, pluralist modified their position and came to be known as neo-liberals. They conceded to the neo-realist assumption about anarchic nature of international system, centrality of states and rationalist approach to social science enquiry, they departed from the neo-realists in the argument that anarchy makes durable patterns of cooperation impossible. Neo-liberals believe that states cooperate even in anarchic conditions in the international system. Federalism, functionalism, transactionalism, neo-functionalism, democratic peace preposition are classical liberal theories. Transnationalism and complex interdependence is a neo-liberal institutional perspective of regional integration. Liberal intergovernmentalism of Andrew Moravcsik combines liberal and realist postulates. The theory of economic integration is also offered from a liberal perspective.

Realism interprets the world from the prism of power politics, national interest, security and centrality of states. It is based on the view of the individual as primarily selfish and power seeking. They rely primarily on balance of power and deterrence to keep the international system intact and as non-threatening as possible. Classical realists like Hans J Morgenthau argue that it is from the nature of man that the essential features of international system such as competition, war and fear can be explained. Human beings are flawed creatures and selfish by nature. This selfishness is externalized in their relationship with other states. For the states their national interest is supreme. This makes cooperation impossible and the international system is in constant anarchy. The structural/neo realists led by Kenneth Waltz endorse the argument of traditional realists that international system is struggle for power but do not believe that this is result of human nature. The source of conflict lies within the basic framework of anarchy. The lack of an over-arching authority where states have no recourse but to go for self help to protect them. Whether in a state of peace or war, conflict or cooperation, states will always try to maximize their power and preserve their autonomy. Due to this scepticism about cooperation, there are only two theories of regional integration offered from a realist perspective. Intergovernmentalism of Stanley Hoffman and the Hegemonic stability theory advanced scholars like Robert Gilpin, S. D. Krasner and so on.

Constructivism challenges the mainstream theories. It challenges these theories for their emphasis on distribution of power and unwavering pursuit of power and wealth. The role of ideas has been neglected by these theories. Constructivism highlights how ideas define and can transform the organisation of world politics, shape the identities and the interest of the states, and determine what counts as legitimate action. The following theories are advance from liberal perspective

Federalism

Federalism is derived from the Latin word *foedus*, meaning pact or a covenant. It refers to legal and political structures that distribute power territorially within a state. It requires the existence of two distinct levels of government, neither of which is legally or politically subordinate to the other. Its central feature is the notion of shared sovereignty

William Riker's 'Federalism, Origins, Operation, Significance,' proclaimed that the twentieth century was the age federalism which 'which was a constitutional bargain' between prospective national leaders and officials of constituent governments for the purpose of aggregating territory, the better to lay taxes and raise armies. Riker believed his concept of federal bargain was large enough to admit generalizations even if the federal bargain was embedded in a unique historical context.

Daniel J Elazar in his book, 'Federalism and Way to Peace,' argues that key to peace in many if not all conflicts faced today is in embracing one or other form of federal idea combining self rule with shared rule. Federalism is often seen either as an ideological theory of action, to promote European integration or a theory to explain the organization and a function of federations. The European Union has demonstrated that there can be the use of federal ideas and federal principle in other ways and not only through modern federation. Application of federal ideas has enabled micro state to survive and prosper in the new Europe and among the former colonies of the former European empires. Though, European Union is not committed to federation as the sole accepted manifestation of the federal idea. Confederation, a variant of federal principal has successfully revived off late. In the post-modern epoch, after World War two, confederation once again has become a viable option. Scholars like Altiero Spinelli and Denis de Rougemont propagated federal principles of European integration. Spinelli is referred to as one of the founding fathers of European Union. E. B. Haas called European Coal and Steel community as a hybrid form, short of federation. The EU can be described as federalising rather than a federal body.

Functionalism

The functionalist regards integration as a cause or a consequence of cooperation in a definite functional domain. It is basically an approach directed towards problem of world order. David Mitrany is regarded as father of functionalism. His pamphlet entitled 'A Working Peace System' (1943) argued for a transformation of the way people think about international relations, particularly the prevention of war. His functional alternative aimed at world unity. Mitrany propounded the doctrine of ramification, according to which development of mono-functional technical organization in one field will help the proliferation of international collaboration in other technical fields. This doctrine of ramification was later developed by neo-functionalists as spill-over. Functional approach mitigates the obstinate problem of equal sovereignty. In this approach it is not a matter of surrendering sovereignty, but merely of pooling so much of it as may be needed for the joint performance of the particular task"

Transactional Approach

The transactionalist approach also called the communication approach seeks to establish an organised and interdependent community, distinguished from a random grouping of individuals, and the conditions necessary to promote and maintain a sense of community among population of a given region. Karl Deutsch is associated with transactionalism. Deutsch's concepts and analytical vocabulary came largely from communication theory and his earlier work on nationalism (*Nationalism and social communication*: 1966). He extended his concepts of communication to the international level. At the heart of his transactional approach is the assumption that the communication is the cement of social group in general and political communities in particular. Communication enables a group to think together, to see together and to act together. Communication process and transaction a flow helps spread shared identification among people. Through transactions such as trade, migration, tourism, culture, educational exchanges and the use of physical communication facility, a social fabric is built not only among elites but also the masses instilling in them a sense of community. Sense of community is defined by Deutsch as a belief on the part of individuals in a group that they have come to agreement on at least this one point- that common social problems must and can be resolved by processes of peaceful change. Peaceful change is the resolution of social problems normally by institutionalised procedure without resort to large scale physical force.

The formation of a security community is the central concept of transactionalism. There is real assurance that the members of that community will not fight each other physically, but will settle their disputes in some other way.

Neo-functionalism

Neo-functionalism is one of the most dominant theories of European integration. The concepts of functionalism were refined by the neo-functionalists. E B Haas, the chief exponent of neo-functionalism, in his pioneering work 'The Uniting of Europe', provided the original framework for this theory. Some other scholarly names associated with neo-functionalism are Leon Lindberg, Joseph Nye and Amitai Etzioni. The central objective is to examine the impact of one organisation whose powers, functions and composition make it a priori capable of redirecting the loyalties and expectations of political actors. The underlying belief of neo-functionalism is similar to functionalism: cooperation in field affects cooperation in other fields. Haas defines political integration as a process whereby political actors in several distinct political settings are persuaded to shift their loyalties, expectations and political activities towards a new centre whose institution possess or demand jurisdiction over the pre-existing nation state. The end result of a process of political integration is a new political community super imposed over the pre-existing one. Haas discovered that there is an expansive logic in sector integration that operates, under the conditions, which continually extend the range of activities under international jurisdiction. Therefore, once the international amalgamation process is initiated it could, again under appropriate conditions, 'spill over' to broaden and deepen the international policy realm until ultimately most functions normally were transferred to international authorities. This concept of spill over is central to the theory of neo-functionalism. Lindberg formulates spill over as the initial task and grant of power to the central institutions that creates a situation or series of situation that can be dealt with only by further expanding the task and the grant of power.

Democratic Peace Proposition

The democratic peace proposition (DPP) maintains that democratic states will not fight against each other. The basic argument is that the public and the public opinion in democracy are peacenik while autocratic leaders are hostile. The vision of peace among democratically governed states has long been evoked as part of the larger structure of institutions and practices to promote peace among nation state. The philosophical roots of the theory can be traced in Immanuel Kant. His essay 'perpetual peace' published in 1795 spoke of republican constitution, comparable with the basic contemporary understanding of democracy today. The Following theories are propounded from a realist perspective.

Intergovernmentalism

Intergovernmentalism is the weakest form of supranational cooperation. It encompasses any form of state interaction which preserve the independence and sovereignty of each nation. Treaties and alliances are the most common form of intergovernmentalism. Such treaties and alliances are highly specific and they involve agreement on a particular area of policy making, whether economic or military and rarely address general or broader issues. In signing such treaties state do not formally surrender national sovereignty. Treaties are signed and alliances are made in pursuit of national sovereignty. States are therefore, only likely to fulfil their obligation if they perceive that the treaties continue to reflect their interest; no institutional means is envisaged to enforce the treaties. Another form of intergovernmentalism is league or confederation such as League of Nations, the Organisation of petroleum export companies (OPEC), the Organisation of Economic Cooperation

and Development (OECD) and the Common Wealth of Nations. Intergovernmentalism describes a family of theory that conceive regional integration as an outcome of bargaining among nations. It explains regional integration from a realist point of view. It reinforces the state as primary actors in the regional cooperation process.

From the mid-1960s, when Western Europe cooperation entered a long phase of stagnation and even back sliding, Stanley Hoffman provided a critique to functionalism and developed a theory of realist intergovernmentalism.

Post Second World War Nationalism was at its lowest ebb. Scholars invented schemes to move Western Europe beyond the nation state. However, despite seemingly ideal conditions and methods being devised to provide an alternative to nationalism, nation-states did not lose relevance. For Hoffman nation-states are still very important that no regional unit or federating bloc can supersede them.

Hegemonic Stability Theory

Hegemonic stability theory (HST), argues that the presence of a hegemon accounts for economic openness and stability. The basic contention of the hegemonic stability thesis is that the distribution of power among states is the primary determinant of the character of international economic system. . It links the existence of effective international institution to the existence of a predominant state – a hegemon, in the issue are. It was initially a realist formation. The regional integration in Europe is seen as response the role of hegemonic power i.e. USA. In Europe the US from Marshall Plan onwards has sought to encourage European integration. During the cold war the US provided the kind of security guarantees that facilitated European regional integration.

Transnationalism and Complex Interdependence

Robert Keohane and Joseph Nye are leading theorists of interdependence. Through their work such as ‘Transnational Relations and World Politics’ (1971) and ‘Power and Interdependence’ (1977), Keohane and Nye explained their concepts of Transnationalism, multiple access channel and complex interdependence which expanded theoretical pluralism. Keohane and Nye refer to transnational relations, as regular interaction across national boundaries when at least one actor is a non-state actor. This concept encompasses anything as long as human agency is involved. They argue that a definition of politics in terms of state behaviour alone may lead us to ignore important non-governmental actors that allocate views. States as well as non state actors all contribute to world politics. States are not seen as the single most important actors in International Politics. They often cannot regulate all cross border transactions. A good deal of intersocietal interaction takes place without government control. States do not act in a unitary fashion. Rather the, state is fragmented and composed of competing individuals, interest groups and bureaucracies which shape state policy. Transnational cooperation was needed to respond to common problems. Cooperation in one sector would lead to cooperation in other sectors and as a result the effects of transnational relations become important and pervasive.

The Theory of Economic Integration

The theory of economic integration is an off-shoot of the neo-classical welfare economics. The aim of all economic activities is to increase welfare. BelaBalassa defines economic integration as bringing together of parts into a whole. He defines economic integration both as a process and as a state of affairs. Regarded as a process it encompasses measures designed to abolish discrimination between economic units belonging to different national states; viewed as a state of affairs, it can be represented by the absence of various forms of discrimination between national economies.

II. Conclusion

The central characteristic of integration theories is that they emphasize on creation of supranational authority which assumes slicing of sovereignty of nation-states. Most theories were propounded to explain the happenings of European Union. European integration has been the product of very specific historical conditions and is a stand-alone model.

Therefore, the theories explaining European integration do not take the third-world countries within their ambit of stud. The third world is still extremely emotional and sensitive about sovereignty and seems to resent any idea of surrendering their sovereignty. Regional integration that involves setting up of supranational authority by surrendering their sovereignty seems undesirable to most of them.

Moreover, different approaches to the study regional integration lay stress on different aspects. However, they are not mutually exclusive. The process of integration cannot be understood from any one perspective. Any general understanding of integration cannot rest on a single theory. To evoke Donald Puchala’s metaphor of the blind men and the elephant that studying integration was like a blind man studying an elephant, whatever element came to hand was understood. Any single approach cannot explain the integration process in

European Union or any other regional organisation. The states facing similar challenges may respond differently. The desire to form an institutional structure or set of mechanism is based on specific experience and historical context. Decisions regarding the form and functions of regional body relate to history and perception of what is required as well as the role played by external and internal drivers of integration. Regions are formed on the basis of geography, recognition by participating states of common aims and benefits with the advantages appearing to outweigh the disadvantages. The yardstick of regionness will vary by the number of policy issues and questions present and what dominant actors in a given group of countries at a given time see as their political priorities. Thus, an eclectic approach will be better for an understanding of regional organisations.

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