

MUNI
FSS

Federalism, Functionalism, Transactionalism and Neofunctionalism

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Theories: introduction

– Theories of politics contain **three operations**:

– Judgements of political facts, or estimates of probability

– Observation of causal relationships between elements of political facts (logical compatibility)

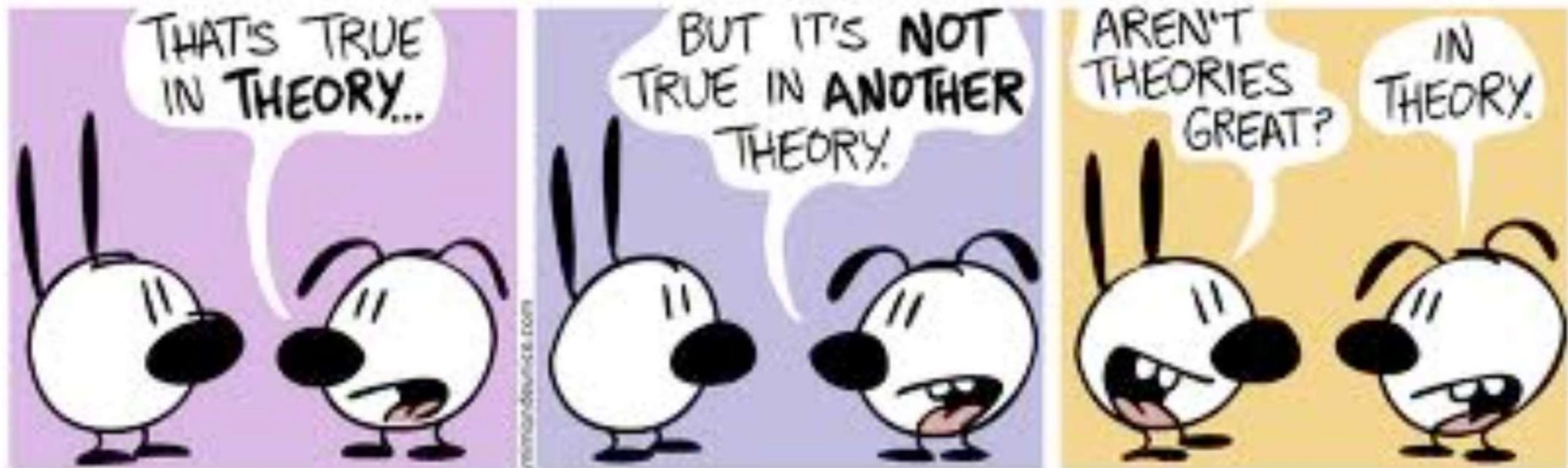
– Valuations and norms, which distort the perception of facts

(Sabine, George H., 1968: A history of political theory. London: Harrap, p. V.)

Theories: introduction

- **Purpose of European integration theories**
 - To describe a phenomenon
 - To explain a phenomenon
 - To predict a phenomenon
 - + To provide normative guidance
- **A “phenomenon“ understood as:**
 - the speed and direction of European integration overall
 - the speed and direction of individual policies
 - the failure to establish certain policies
 - why progress occurred at certain times and not others

Theories: introduction



European integration: introduction

Definition of European integration:

- A process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities toward a new centre, whose institutions possess or demand jurisdiction over pre-existing national states. The end result of a process of political integration is a new political community, superimposed over the pre-existing ones.

(Haas, Ernst B., 1968: The Uniting of Europe. 1950-1957. Stanford: Stanford UP, p. 16.)

European integration: introduction

In general, **integration theories focus on five important dimensions of the process.**

- the content (or essence) of integration processes;
- the organizational forms and institutions of integration;
- regulation (policies) and governance of integration;
- the advantages and disadvantages of integration (cost-benefit analysis);
- the problems of integration maturity (capacities or capabilities for integration).

European integration: introduction

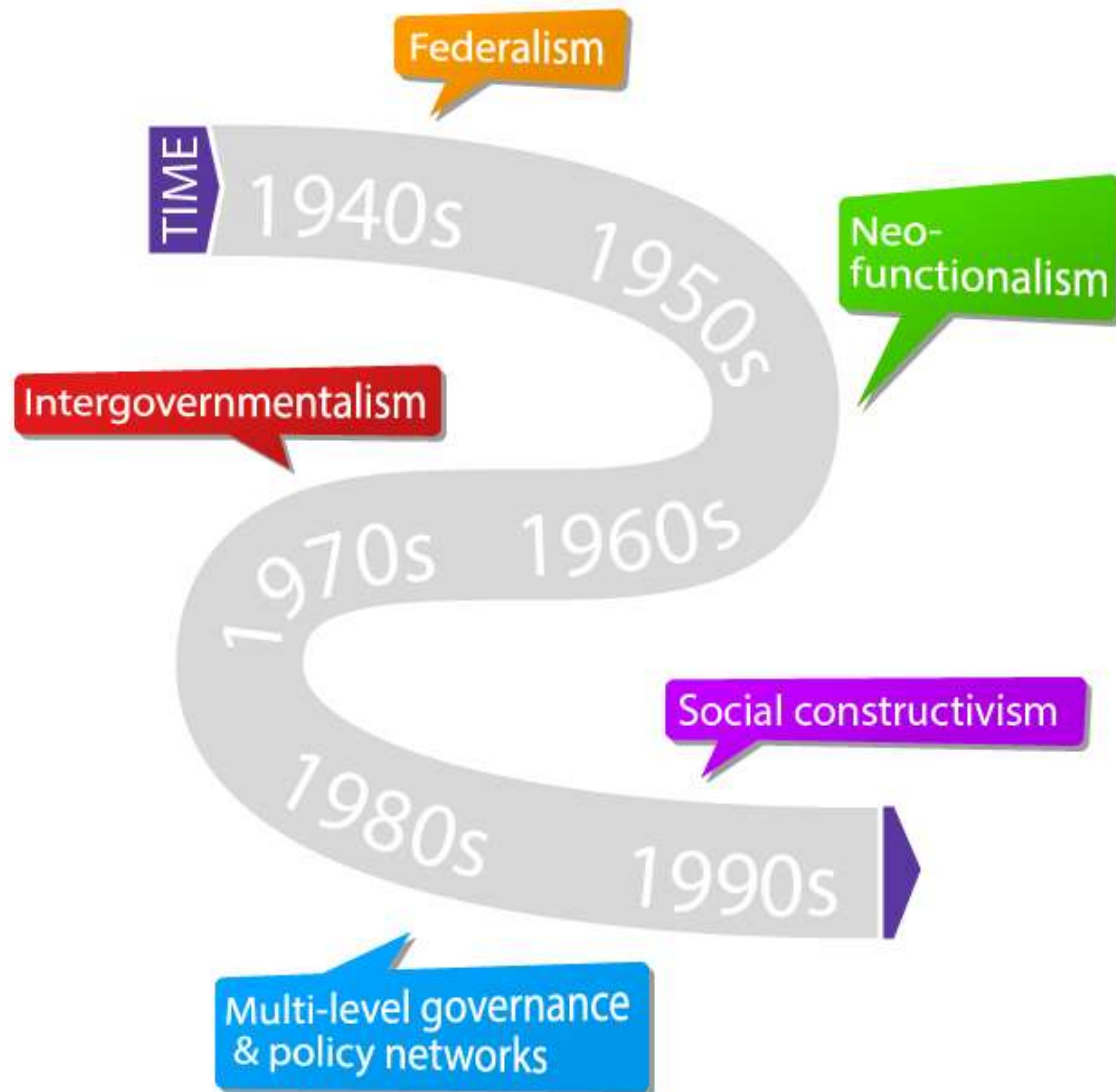
Four "locations" of European integration theory

- The EU as International Organization: what does the EU tell us about the broader category of international organizations?
- EU as a region within the global political economy: what does the EU tell us on states clustering into regional blocs?
- EU and policy-making: what does the EU tell us about the dynamics of policy-making in an interacting political system of nation states and an international organization?
- EU as a *sui generis* phenomenon: a) EU and European integration are not treated as an instance of anything other than itself; EU there-fore cannot be a testing site for broader generalizations; b) EU as an historically-rooted phenomenon

(Rosamond, Ben, 2000: *Theories of European Integration*. Houndsmills: MacMillan, p. 14-16.)

Theories of European integration

Phase	When?	Main themes	Main theoretical reference points
Explaining integration	1960s onwards	How can integration outcomes be explained? Why does European integration take place?	Liberalism, realism, neo-liberalism
Analysing governance	1980s onwards	What kind of political system is the EU? How can the political processes within the EU be described? How can the EU's regulatory policy work?	Governance, comparative politics, policy analysis
Constructing the EU	1990s onwards	How and with which social and political consequences does integration develop? How are integration and governance conceptualised?	Social constructivism, poststructuralism, international political economy Normative political theory



A classification of EI theories

Theory	General theories					Middle-range theories				
Discipline	International Relations					Comparative politics/policies				
Main Problem	Dynamics of integration Nature of the new polity					Explanatory factors of political/policy processes				
Approaches	Functionalism		Realist Inter- governmentalism			Institutionalism		Governance		Policy network
	Functionalism (Mitrany)	Neofunctionalism (Haas)	Transactionalism Deutsch	Classic realism (Hofmann)	Liberal inter- governmentalism (Moravcsik)	Cooperative Federalism (Scharpf)	Historical institutionalism	Multi level governance		Epistemic communities Different networks

<i>European integration: lines of argumentation</i>		
	<i>CENTRAL FOCUS: Interests</i>	<i>CENTRAL FOCUS: institutional shape</i>
GRAND THEORY	<p><i>Intergouvernementalism</i></p> <p>Basic assumption: European integration is based on actions and decision of European nation states. Topics:</p> <ul style="list-style-type: none"> • Nature of European interests • Intergouvernemental / supranational balance • Pooling or sharing of sovereignty? 	<p><i>Neo-functionalism</i></p> <p>Basic assumption: Economic integration in one sector will foster integration in other sectors (economic spillover) and will make political integration necessary (political spillover). Topics:</p> <ul style="list-style-type: none"> • Which spillovers will occur? When?
MIDDLE-RANGE THEORIES	<p><i>State centrism</i></p> <p>Basic assumption: The EU still rests on nation states. Hypotheses:</p> <ul style="list-style-type: none"> • Supranational institutions within the EU function as agents of the collective will of the nation states • Two-level game: national politicians play on two fields: domestic and EU politics <p><i>Consociationalism</i></p> <p>Basic assumption: Divided societies can be governed by compromise bound political institutions</p> <ul style="list-style-type: none"> • Segments of society are represented in decision-making forums • Political elites of the segments are interacting on a regular basis <p><i>Policy Networks</i></p> <p>Basic assumption: Policy processes and outcomes can be described and analyzed by looking at policy network arenas. Key variables:</p> <ul style="list-style-type: none"> • Stability of network memberships • Insularity of networks • Relative strength of resources 	<p><i>Multi-Level governance</i></p> <p>Basic assumption: European politics are transferred into a system of multi-level, non hierarchical, deliberative and apolitical governance. Characteristics:</p> <ul style="list-style-type: none"> • Decision-making at various levels • Collective decision making • Interconnected political arenas <p><i>New Institutionalism</i></p> <p>Basic assumption: To catch the functioning of institutions, the following have to be incorporated: formal and informal procedures, practices, relationships, norms. Three types of New Institutionalism:</p> <ul style="list-style-type: none"> • Historical: distribution of power through institutions in path dependent developments • Rational choice: constraints on political action by institutions • Sociological: cultural explanation of institutions

Based on Neill Nugent (1999), chapter 18.

Early integration theories

- 1920s to 1950s
 - Federalism
 - Functionalism
 - Transactionalism

Federalism

- Federalists plan to form a small nucleus of nonconformists seeking to point out that the national states have lost their proper rights since they cannot guarantee the political and economic safety of their citizens

(Spinelli, Altiero, 1972: The Growth of the European Movement since the Second World War, in: Mark Hodges (ed.): European Integration. Harmondsworth: Penguin, p. 68).

The classic account of European integration derives from federalism' (Hill and Smith, 2005: 20)

- **Often misunderstood theoretical perspective.**
- Federalism constructed as “a way of bringing together previously separate, autonomous or territorial units to constitute a new form of union“ (Wiener and Diez 2004: 26).
- **Key logic: function follows form**
- **Two main viewpoints:**
 - 1) European federalism as **political objective** (prescriptive model for federal EU integration and development)
 - 2) Federalism as an **explanatory framework** for analysing the nature of the contemporary EU

Federalism

- **Altiero Spinelli** (intellectual foundation of federalism + Ernesto Rossi)
 - One of the founding fathers of the EU
 - Ventotene Manifesto (1941)
 - Impact on post-war European Federalist Movement (Hague Congress 1948)

- “States have lost their proper rights since they cannot guarantee the political and economic safety of their citizens. They also insist that European Union should be brought about by the European populations, and not by diplomats, by directly electing a European constituent assembly” (*Spinelli*).



Federalism

- The federalists favour **supranational, effective community power structures and institutions.**
- "Theoretical" proposition shared by many political actors engaged in the early process of European integration
- **Normative goal** of federalists: establish a federation of European states instead of competing nation states
- **Guiding principle:** study of federal systems (with their mixture of unity and diversity) helps designing an adequate European polity
- **Political strategy: institutions first** (function follows form)
- Pessimistic view of states and class divisions.

Federalism

Critique

- Limits in terms of understanding EU integration
- Limited explanatory value.

Functionalism

- "Classical theory of regional integration that holds that a common need for technocratic management of economic and social policy leads to the formation of international agencies. Such agencies promote economic welfare, thus eventually gaining legitimacy, overcoming ideological opposition to strong international institutions, and in the long-run evolving into a sort of international government, though perhaps not a true state."

(Dinan, Desmond (ed.), 2000: Encyclopedia of the European Union. Boulder/London: Lynne Rienner, p. 245.)

Functionalism

- Belongs to the **liberal tradition of IR theory**
- Political strategy: **form follows function**.
- Nation states seen as increasingly incapable of fulfilling its basic social, economic and political tasks → more and more shared aims and functions should be delegated to the **more efficient integration organizations**, which are capable to implement these more suitably.
- Establishment of **functional/technocratic agencies** that would serve particular functions

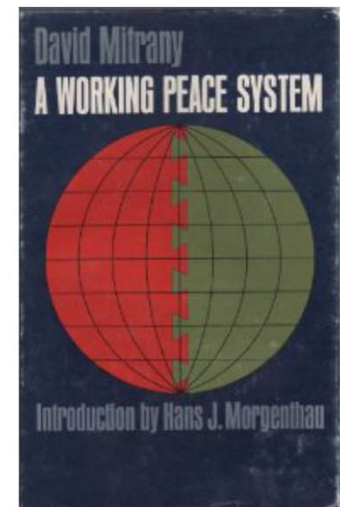
Functionalism

David Mitrany (1888-1975); "A Working Peace System" (1944)

- Proposal: transfer functional tasks from governments to international agencies
- People loajalties would shift from nation states to support for the technocratic agencies
- Maximisation of human welfare
- Opposed to comprehensive institutions at national or regional levels
- Influenced later advocates of integration

Critique:

- technocratic, naïve, poor record of prediction, lack of scientific rigor.



Transactionalism

- Security communities (Ferdinand Tönnies: "Gemeinschaft") as entities where the component governments either retain their separate legal identities or form an institutional fusion. Main hypothesis: The sense of community *among* states is a function of the level of communication *between* states.
- Rosamond, Ben, 2000: Theories of European Integration. Houndsmills: MacMillan, p. 42-48.

Transactionalism

- Communication/transactions = means for trust/loyalty → amalgamation/mutual responsiveness → prerequisites for peace/absence of war.
- Sufficient **integration at a social level** will make conflict unthinkable.

Transactionalism

Karl Deutsch

- "Nationalism and Social Communication" (1953)
- "Political Community and the North Atlantic Area" (1957)
- 1) establishment of 'security communities': region in which a large-scale use of violence (such as war) has become very unlikely or even unthinkable
- 2) political integration as a second stage that could follow from this

Critique

- Overly descriptive

Neofunctionalism

- Integrate modestly in areas of "low politics" which are at the same time "strategic economic sectors". Create a high authority to promote the integration process. The integration of particular economic sectors across nations will create functional pressures for the integration of related economic sectors. The consequence is the gradual entangling of national economies. Gradually, social interests will shift their loyalty towards the new supranational center. Deepening economic integration will create the need for further European institutionalization. Political integration and supranational institutionalization are therefore side-effects of economic integration.

(Rosamond, Ben, 2000: Theories of European Integration. Houndsmills: Macmillan: 51-52.)

Neo-functionalism can be read at one level as a theory provoked entirely by the interactive activity among the original six member states"

(Rosamond, Ben, 2000: Theories of European Integration. Houndsmills: Macmillan: p. 10)

Neofunctionalism

- **Parallels with functionalism:**

- Centrality of technical cooperation, technocratic decision-making, incremental change and learning processes.

- **Differences from functionalism:**

- Less prescriptive.
- Specific focus on regional integration (with European Integration as their foremost case in point).

- Challenge to traditional IR theory: re-placement of power politics of states by supranational consensus politics.

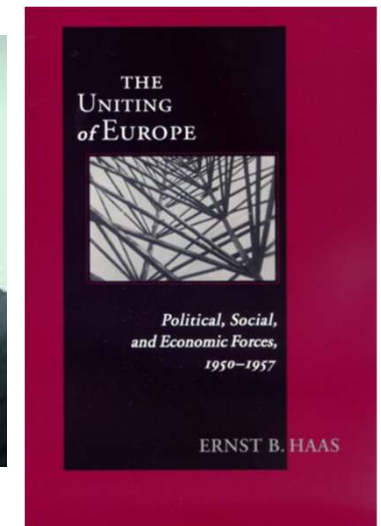
- **"Community method"**, followed by early figures like Robert Schuman and Jean Monnet

Neofunctionalism

Ernst B. Haas (1924-2003)

- "The Uniting of Europe" (1968)
- Many contributions to IR/European Integration

- **Main assumptions**
 - State not unified actors
 - Interest groups lobby national governments and become international actors
 - Initial sectoral integration will spill over beyond states' control.



Neofunctionalism

Spillover

- The most important driving process of integration: deepening of integration in one sector is expected to create pressures for further economic integration within and beyond that sector, leading to functional needs for a European authority.
 - E.g. alliance on coal and steel policy triggered the formation of EEC.
 - Various types of spillover: technical, geographical, political,

Transfer of loyalty

- As supranational institutions show themselves to be more effective in dealing with specific problems than nation-states, national interest groups will re-invent themselves on a regional level and national policy-makers will try to seek regional solutions for their problems.

Neofunctionalism

Critique

- No explanation for stagnation and intergovernmentalist integration
- No automatic transition from functional to political spillover
- Implausibility (because of continuing relevance of states)
- Dangerousness (because of implicit dangers of withering-away of liberal states guaranteeing justice and liberty)

- **Ernst Haas** (1970s): Neo-functionalism is obsolescent (should rather be seen as a "pre-theory", relying on a teleological assumption of progress rather than deriving predictions from a general theory).
 - (1970s – ‘euroscelrosis’, oil crisis, member states inward looking)

- **Many followers** + revival during 1980s (neo-functionalism revived with the Single European Act) and 1990s (SEM, Political Union, EMU)

Neofunctionalism

Neo-neo-functionalism: alternative actors' strategies

Strategy	Definition
Spillover	Increase both the scope and level of an actor commitment
Spill-around	Increasing only the scope while holding the level of authority constant
Buildup	Agree to increase the decisional autonomy of joint institutions but deny them entrance into new issue areas
Retrench	Increase the level of decision but reduce the scope (debate on subsidiarity)
Muddle-about	Let the regional beurocrats debate: suggest and expostulate on a variety of issues but decrease their capacity to allocate values (soft law)
Spill back	Retreat on level and scope of authority (perhaps reverting to the status quo prior to integration)
Encapsulate	Respond to the crisis by marginal modifications

Philippe Schmitter