**THEORIES OF EUROPEAN INTEGRATION:**

* What is European integration?

European integration is a process whereby:

1. New policy areas are regulated on the EU level partially or exclusively
2. Competencies are shared across EU member states or delegated to autonomous supranational institutions
3. The EU expands territorially by accepting new members

* 3 dimensions:

1. Sectoral integration – a process through which new policy areas or sectors are becoming increasingly regulated at the EU level
2. Vertical integration – distribution of competencies between EU institutions in integrated policy sectors
3. Horizontal integration – refers to the territorial extension of sectoral and vertical integration.

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|  | *Sectoral integration* | *Vertical integration* | *Horizontal integration* |
| What is being integrated? | Policy areas/sectors | Decision-making competences | Territory, borders and boundaries |
| What is integration? | Integration of new policy areas/sectors (“broadening”) | Transfer of domestic competencies (“deepening”) | Extension of the territory governed by the EU acquis (“widening”) |

**FEDERALISM – ALTIERO SPINELLI**

* Dominated the first discussions and debates regarding the EU construction (at the end of the WWII)
* They sought a clear transfer of political authority
* A. Spinelli – a former political prisoner of the Fascists
* In 1946 – The European Union of Federalists
* After the war it would be only a matter of time for the power to return in the hands of the privileged classes - > national jealousies -> war
* They wanted to achieve a complete break from the old order of national states and create a federal constitution of Europe
* Later some of them turned to the gradual approach that was successfully embodied through ECSC

**FUNCTIONALISM - DAVID MITRANY**

* Mitrany – a Romanian that spent most of his life in Britain and USA
* For him, the cause of war was nationalism
* He opposed the idea of regional federation, believing that this would reproduce national rivalries on a larger scale
* Proposed the creation of a whole series of international functional agencies, each having authority over one specific area of human life (health care, co-ordination of railway timetables….etc)
* This way the governments would not feel threatened by losing sovereignty
* These agencies would operate at different levels depending on the function that they were performing
* As more and more areas of control were surrendered, states would become less capable of independent actions

**FUNCTIONAL FEDERALISM – JEAN MONNET**

* The plan for ECSC was known as the Schuman Plan (after the name of the French foreign minister) – but was drawn by Jean Monnet (economic planner)
* The need to create a large and dynamic common market
* Placed his faith in the development of supranational institutions as the basis for building a genuine economic community in Europe that would adopt common economic policies and rational planning procedures.
* Coal and steel was considered to be the beginning
* The pb. of Germany (the emergence of West German state, how to organize the relation between France and Germany in order to prevent another war, how to ensure the German coal to the French steel industry - > this will eventually make the countries interdeoendent)
* The pooling of coal and steel production for peaceful purposes would provide an economic alternative to producing war materials

The most enduring grand theory of EU integration is **NEOFUNCTIONALISM**

* Was a pluralist IR Theory – did not assume that a state as a single unified actor and the only one in the international arena
* 4 key elements:
  + State is more complex than realists argue
  + The activities of interest groups and bureaucratic actors are not confined to the domestic political arena
  + Non-state actors are important
  + Spillover pressures
* They pointed the activities of MNCs to illustrate that non-state actors are important
* First developed by Ernst Haas – European integration is a deterministic process, whereby a given action related to a specific goal, creates a situation in which the original goal can be assured only by taking further actions
* Spillover – once national governments took the initial steps towards integration, the process took on a life of its own and swept governments along further than anticipated
* Modern industrial economies are interconnected and it is impossible to isolate one sector form others => after economic spillovers – political spillovers (very important the two types of spillover: functional/economic and political)
* Part of the wider liberal school in IR – they believe that behind the spillover process are non-state actors rather than foreign nation states.
* It governed the beginning of EU, but failed in the mid ‘60s

The most important theories of European integration that followed the ‘60s EU crisis are part of the big debate: intergovernmentalism vs. supranationalism

* Intergovernmentalists - the process of European integration is in the hand of the member states
* Supranationalists – the process of European integration, under certain conditions, can be reinforced by the created supranational institutions

**INTERGOVERNMENTALISM**

* National governments are the ultimate arbitraries of key decisions, because: they have the legal sovereignty and because these representatives are the only ones that have political legitimation through elections)

1. **Rational/Realist Intergovernmentalism**

* Is a variant of rationalist institutionalism in IR theory
* States are the central actors in international politics and they act in the context of anarchy => policy-making is based on intergovernmental negotiations => they shape European integration according to national goals and interests
* The extent of European integration is limited by state interest in autonomy, the diversity of national situations and traditions
* Sectoral integration limited to low polities (economic or social)
* Decision-making at the European level in viewed as a zero-sum game

1. **Liberal Intergovernmentalism**

* Governmental preferences are issue-specific and reflect the interests of societal interest groups – the negotiations are based on the issue-specific preferences
* Divides the EU decision-making process into 2 stages: a demand for EU policies from domestic economic and social actors; in the second stage the EU policies are supplied by intergovernmental bargains such as treaties and budgetary agreements

**SUPRANATIONALISM**

* Neofunctionalism (Ernts Haas) is the predecessor of supranationalism
* Alec Sweet and Neil Fligstein – European integration is the result of 3 processes: the expansion of transnational exchange, supranational actors and role of the European rule-making in solving problem externalities.
* EU was to be analyzed as an international regime – a series of regimes for different policy sectors
* The construction of rules at the supranational level would result in Europeanization of a sector – that is, the regulation of the sector would be at the EU level

1. **Rational supranationalism/ rational choice institutionalism**

* Integration is likely to progress, if it increases transnationl societal actos’ expected utility and to the degree to which supranational actors possess and are able to make use of their capacity to further the interests of transnational actors.

1. **Constructivist supranationalism**

* Integration is likely to progress, if actors’ identification with the EU increases, when integrative efforts enjoy a high degree of legitimacy and resonance in the member states. – focus on identity

**GOVERNANCE/MULTI-LEVEL GOVERNANCE**

* A rather recent approach shifts the focus from European integration towards the way decisions are made and the balance of powers between institutions and their role at different levels. (see next topic)

**HISTORY OF EUROPEAN UNION:**

1. **1945-1965 – European Community creation**

* Why was unity desired after 1945?
* The end of WWII – new ideas about how to solve the problem of Germany => bring Germany closer
* The other reason – the power and threats of Russia => unite Europe to prevent Russia’s expansion and power
* Another reason – to bring about a lasting peace in Europe => the French-German axis could be the key to stability in Europe
* + the Marshall Plan (Britain, France, Italy and West Germany benefited considerably)
* + Benelux – 1947 – a free economic area
* A number of groups were formed in the years following 1945
* Still, there were very different views about the way the European unity could develop – especially between **the federalists** (nationalism a threat to Europe and envisaged a United States of Europe) and **functionalists** (gradual integration and transfer of national sovereignty to a European level – starting with economic integration)
* There were also **intergovernmentalists** (retain the powers of national states)
* As mentioned before – there were very different views – in the beginning rather idealists and governed by federalists – the creation of the European Defence Community or the European Political Community – but no real activity
* But in the early ‘50s – a functionalist phase => the idea of European Coal and Steel Community as a starting point for European integration
* Indeed, R. Schuman and Monnet – the fathers of European Union
* It was envisaged more as a supranational institution, with a strong executive power – The High Authority (Council of Ministers - European Council) - a federalist theoretical basis
* Still they were pragmatic federalists – they realized that the only way integration is possible is through small steps – based on “low politics” – in sectors where the national sovereignty was less contentious => further developed in the so-called “community method” – a functional integration underpinned the Schuman Plan in 1950
* WHY COAL AND STEEL???? – in the late 1940s a crisis in the steel industries of Western Europe – excess of steel
* 1951 – Treaty of Paris – Germany, France, Belgium, Netherlands, Luxemburg and Italy signed the ECSC (European Coal and Steel Community)
* It began to operate in 1952
* UK didn’t join
* ECSC – 5 main institutions: a Special Council of Ministers, High Authority, Common Assembly, Corporatist Consultative Committee and the Court of Justice
* 1954 – the first attempt of going through a more political agreement – European Defense Community (proposed by France – but didn’t make it)
* Still – the central idea was to develop more communities => the ECSC was followed by the creation of EURATOM, European Economic Community in 1957 through the Treaties of Rome (the establishment of the European Economic Community – with 2 new community bodies: the European Commission (instead of the High Authority) and the Assembly (later known as the European Parliament) – but with limited powers in the beginning.

1. **1965-84: European integration by other means**

* In the first years the GNP of the community rose 27% = very good for the Six. The German-French alliance was going well – new policies were developed – CAP
* Still in 1958 – de Gaulle elected president and the strategy changed completely
* Slowing down the European integration process at the high politics level (the problem of UK)
* Problems appeared within European Coal and Steel Community
* 1963 – the first negotiations to enlarge (Britain, Denmark, Ireland, Norway)
* The “empty chair crisis” – De Gaulle in 1965 from April to December – towards intergovernmentalism – when France refused to attend the meeting of European Council, or any other meetings in the Commission
* In 1965 – another attempt – this time the veto came before the official negotiations even started
* Customs union was finished in 1968
* 1969 – Georges Pompidou – new French president – agreed the enlargement by conditions of CAP
* 1973 – Denmark, Ireland and UK
* Norway rejected through referendum
* It was a mix between intergovernmentalist and rational-choice institutionalism

1. **From Community to Union, 1973-1993**

* 1981 – Greece
* New institutional problems emerged: 9/10 instead of 6 countries
* The late 1970s and early 1980s were a period of stagnation and disappointment for those anxious to promote closer European cooperation.
* In 1979 – a new Conservative government took over Britain – Margaret Thatcher – budgetary cuts
* Still, European integration continued to take place in some form or another in the ’70 – concentration on institution-building: the introduction of European Political Cooperation, regular meetings of the European Council, direct elections of European Parliament
* 1986 – Single European Act – again the discussion on Common Foreign and Security Policy
* The SEA – extended the scope of the Community: the operation of the single market, but a commitment to lessen the disparities between regions and allocation of more resources to the structural funds.
* The SEA was a real success – the year target for single market (1992) was respected
* 1986 - Portugal, Spain – even though they applied in 1977 (took longer time due to budgetary discussions)
* Still, besides the economic reforms, there is lack of institutional reforms other than direct voting for EP
* 1992 – Treaty of the European Union – European Community with the three pillars with a clear separation of institutions’ role
* The most important agreement was to fix a definite date for the achievement of economic and monetary union (EMU) – 1999
* THE Treaty was like a win-win negotiation between all the member states

1. **Consolidating the European Union, 1993 to the present day**

* 1995 – Austria, Finland, Sweden
* 2004, 2007 – Eastern Enlargement
* Since 1985 – the EU has experienced considerable change that cumulatively transformed the salience and reach of the European Union
* Successive enlargements – combined with a series of intergovernmental conferences resulted in the simultaneous deepening and widening
* Recent developments – based on the constructivist approaches to European integration – concentration on the idea of identity – STILL – it is not easy to distinguish one single theory, but a mix of more theories.