The Process of European Integration Through the Lenses of Institutionalism

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The delegation of power and authority to supranational entities is a relatively recent phenomenon. We, human beings, have been living on Earth for 2.5 million years if one is to believe the timeline of history opening Yuval Noah Harari's bestseller 'Sapiens' (2014). It is equally true that like other apes, we human beings have always had a sort of a social order which undergoes change. In this regard, The Prince of Liechtenstein Hans Adam II made the following thought-provoking calculation: 'If homo erectus two million years ago represents January 1, or the beginning of human development, then only on December 29, 12,000 years ago, did a few people try out agriculture for the first time in a small area. When, on December 31, or 4,000 years ago, agriculture finally spread and started to shape human society, this agrarian-style society was already coming to an end.' (Hans Adam II, 2009, p. 48). Such a figurative depiction is paramount to realize how new the European Union (EU) is, with its foundation dating back to 1951 – a blink of eye in human history.

Power delegation to the supranational authorities of the EU, was indeed an unprecedented economic and political innovation which attracted magnificent scholastic attention. A plethora of buzzwords and nicknames were coined to describe the union, stretching from 'sui generis entity' to 'beast'. Similarly, a large number of controversial theories appeared with each centering on a certain 'ism', trying to explicate the complex nature of this new political formation. Understandably, being a new and unprecedented political phenomenon, the process of European integration entailed a great number of EU-intrinsic theories, thus further developing and enlarging the body of literature in this field. Hence, numerous theoretical currents emerged, all sharing liberal perspectives about European integration. However, this liberal narrative is not homogenous, and its branches have striking differences along with ontological commonalities.

In this article, I will focus on European integration from an institutionalist perspective. Firstly, the term ''institutions'' will be defined and clarified. Secondly, the arguments of all branches of Institutionalism will be briefly summarized. The present article aims to showcase the strengths and theoretical limitations of Institutionalism while discussing the essence of European integration. Nevertheless, Institutionalism will not be discussed separately from the other paradigms, but rather, it will be compared and contrasted. Therefore, the aim of the article is to shed light on the process of European integration by creating a sort of a 'dialogue' between Institutionalism and the other relevant theories dealing with the European integration. I will try to show that despite its stronger points, Institutionalism is unable to duly explicate the raison d'être of several major historical events that have occurred throughout the history of the EU. Moreover, an attempt will be made to show that Institutionalism has failed to clearly demarcate the border between the impact of the institutions and interest-driven politics of the EU member states.

'Institutions', in the broad sense, refer to the 'rules of games and humanly devised constraints that shape human integration' (Jupille, p. 431). Stephen Krasner defines institutions as 'significant political practices, relationships or organizations'. He further notes that 'How institutions are structured profoundly shapes patterns of political competition: 'actors in a political system, whether individuals or groups, are bound within these structures, which limit, even determine, their conceptions of their own interest and their political resources' (Krasner, 1984, 225). Institutions can be both endogenous, i.e. explained in theoretical terms, and exogenous, i.e. explained outside of theory.

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As for European integration, almost all the theories consider institutions as endogenous (explainable in theoretical terms) except Institutionalism, with its different branches such as historical Institutionalism, sociological Institutionalism, etc. Therefore, from the institutionalist viewpoint, state preferences, i.e. the end goals of states, are also exogenous and do not depend on the institutions of the EU. Nevertheless, such an approach is not widely shared as it is believed that EU institutions do not simply provide alternatives and information under the conditions of information asymmetry, but also shape the preferences of the states by serving as platforms for socialization (Kerremans, 1996, p. 232)

Another question concerns how the institutions are formed. The rationalists (Liberal-intergovernmentalists (LI) and Neo-realists) would argue that EU institutions mirror the domestic institutional structure of member states. Evidently, EU institutional culture depicts the traditions of French culture of governments (Dinan, 2010). Among some brilliant examples of this are the Institute of Advocate General in the European Court Justice (ECJ), or the labelling of the 'Commission' that superseded the 'High Authority' of the European Coal Steel Community. On the other hand, the recently introduced institution of 'Spitzenkandidaten' is taken from German political culture.

Institutionalists also refute the concept of Rational Actor Model Theory predicated upon rational choice concept. In short the latter argues that that states and their leadership tries to maximize gains of the state by purposive actions, consistence, transitivity and invariance of preferences. This process involves several steps: problem identification, ranking of the goals, gathering information, identifying alternatives, analysis of the alternatives, selection of alternatives, implementation, monitoring and evaluation of the decision. The reluctance of New Zealand to harbor the nuclear warships at the time of the Cold War can be attributed to this model (Mintz, Alex, and Karl DeRouen, 2010, pp. 58-60). Institutionalists, on the other hand, argue that individuals are not only motivated by self-interest, but also by the logic of appropriateness based on 'obligations encapsulated in a role, an identity, a membership in a political community or group and the ethos, practices and expectations of its institutions.' (Hodson, 2017, p. 19). They believe that, once founded, institutions might be a 'kinder surprise' for member states, driving the overall path of integration in a way not foreseen by them (Jupille and Caporaso, 1999 p. 434).

For example, the Single European Act enabled the European Parliament to strengthen integration through cooperation with the Commission, and for the member states (the Council of Ministers) it is easier to adopt the decision of the supranational rather than to amend them. Moreover, it is argued that expanding the power of the European Parliament was not driven out of calculations of rational choice, but as a response to concerns about the democratic legitimacy of the EU. (Pollack, 2003, p.42)

However, this is just the beginning of the story. Institutionalists further note that domestic institutions 'copy-paste' those of the EU. In particular, they suggest three interconnected steps. Firstly, European institutions create adaptation pressures on the member state. Secondly, the member states, by recognizing the resonance of EU governance, strive to copy it to avoid inconsistencies between the national and the European. And lastly, at the third stage, both the institutions, as well as domestic constituencies, put pressure on governments to submit to the 'Europeanization of domestic institutional structure'. (Pollack, 2003, p. 439) In fact, it does make sense if one understands institutions not just narrowly (like the supranational and intergovernmental organization of the EU, e.g. Commission, the ECJ, etc.), but more broadly, through norms, practices, etc. on par with the above-written definition of Krasner.

Historical institutionalists are unlikely to object to the rationalist explanation of the EU's institutional architecture, provided that it refers only to the very first stage of integration. What makes historical institutionalists distinctive from other fellow institutionalists is their concern for the influence of time. They argue that 'institutional choices taken in the past can persist or become 'locked in', thereby shaping and constraining the actors over time.' (Jupille and Caporaso, p. 438). It apparently means that the process of integration, according to the historical-institutionalist perspective, can be described with just one word – inertia. This creates a path-dependency. Furthermore, institutionalists argue that amendments to existing institutions of the EU is further complicated because of the so-called 'joint decision traps'. The notion asserts that institutional change sometimes requires unanimity, thus forcing agents to search for the lowest common denominator between them, which leaves room for the most reactionary states to halt any unwanted amendments or changes.

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Actually, Historical Institutionalism (HI) challenges both neo-functionalist and neo-neofunctionalist concepts of spillover and spill-back respectively. In particular, the core argument of the theory of Neo-functionalism is that the ever closer union that we witness nowadays was achieved thanks to the efforts of the self-interested ''secretariat'', i.e. the Commission, which is and used to be the key driver behind the continuously deepening integration process of the EU. Meanwhile, they also argue that deepening the integration in one area, triggers a spillover effect by necessitating deeper integration another area to which neo-neofunctionalists respond that besides spillover effect, spill-back is also much likely. The classical example is the creation of a single market, which according to neofunctionalists, necessitated deeper integration in the domain of monetary policy.

Neo-functionalists distinguish three types of spill-over: functional, political and cultivated. In short, functional spill over refers to the technical necessity to concentrate more power in the hands of the central regional bodies and in fact reflects the most banal general understanding of neo-functionalist. Political spillover, is about the wish of different domestic stakeholders of the member states to seek supranational rather than national solutions as the former are less susceptible for frequent changes. This process was later labelled as "engrenage". And finally, cultural spillover refers to the ability of central regional organs (secretariats) to promote pro-integration culture by elevating common interest of the member states (Tranholm-Mikkelsen, 1991, pp. 5-10). Nevertheless, if LI is critical towards the outcome predicted by the neo-functionalists, i.e. spillover effect, HI challenges its core assumption – namely that institutions (supranational actors) are self-interested rational actors, willing to strengthen and extend their power vis-à-vis the member state, arguing that institutions (defined in narrow sense) are prone to stagnate the integration.

For example, historical institutionalists argue that the institutionalization of habits and patterns in the domain of foreign and security policy are so well entrenched in intergovernmentalist configuration, that this hampers any graduation to supranational decision-making (Krotz and Maher, 2011, pp. 561-562). Therefore, Institutionalism is not only a catalyst, but equally a constraint of integration (Dermon and Peterson, p. 19). Nevertheless, HI predominantly 'attacks' the neo-neofunctionalist idea of spill-back, rather than the neo-functionalist idea of spillover, i.e. deepening of the integration driven by self-interested supranational 'secretariat'.

It is also worth mentioning that the historical-institutionalists used Common Foreign and Security Policy (CFSP) to subjugate not only neo-functionalism, but also LI and almost all other paradigms. Moreover, they mention that CFSP does not involve any side payment or issue linkages, and is mostly free from the domination of the powerful member states. In response to the Theory of Governance Networks, institutionalists argue that the role of the transboundary networks is insignificant in conducting CFSP and does not reflect the lowest common denominator (Krotz and Maher, p. 562). In addition, they mention that the rotating six-month presidency of The Council of Ministers curbs agenda-dictation solely by the big states. Furthermore, socialization among elites, which is the outcome of institutionalization turns the process of rationalization, based on purely national calculations, into one based on collective interests and benefits.

Besides HI, other branches of Institutionalism, namely Normative Institutionalism, Rational Choice Institutionalism, Sociological Institutionalism, and Discursive Institutionalism, also have their own narratives about European integration. Simply put, rational institutionalists claim almost the same as LI, i.e. that institutions are created to reduce transaction costs. Normative Institutionalism claims that the EU institutions are merely platforms where the national interests are harmonized and shape the European interests through socialization. The is very much akin to the viewpoint of Constructivists – using almost the same arguments as mainstream Constructivism. Sociological Institutionalism, on the other hand, is an even 'closer cousin' of constructivism, and addresses the relationship of culturally specific practices and EU institutions. And, finally, Discursive institutionalists prioritize the role of discourse and its ability to alter the institutional architecture of the EU.

In essence, the criticism of HI is complex, though not impossible. In fact, I did not find any response from the other theorists to HI, and therefore it becomes difficult to expound any inter-paradigm dialogue. However, it does not mean that the arguments of historical institutionalists are the strongest. First of all, it is difficult to differentiate the impact of the so-called 'joint decision traps' from that of impact of resistant institutionalists. In other words, institutionalists do not demarcate the borders where the resistance from institutions and practices ends and where the caution to avoid veto of one of the member states starts.

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Furthermore, Historical Institutionalism remains silent about the major history-making events of the EU such as: the 2004 enlargement and the accession of Central and Eastern European states, the 'empty chair crisis', the Luxembourg compromise, Thatcher's rebate, the constitutional defeat and the ensuing acceptance of the Lisbon Treaty, Brexit, etc. As for the CFSP, a very much discussed issue in the HI literature, it shall be noted that the limits of institutions and socialization ends where member states perceive that their critical interests are at stake. This explains why EU member states failed to act during the Balkan imbroglio, were fragmented and polarized during the 2003 Iraq war and were in dissensus rather than consensus with respect to sanctioning Russia recently.

Last but not least, Hooghe and Rauh summarized four survey results administered among the Commission officials in 1996, 2002, 2008 and 2014. The results showcased exactly the opposite of what historical-institutionalists claim. In particular, in 1996 about 55% of the surveyed officials of the EU Commission believed that the Commission should become Europe's sole government in an ever closer union, whereas in 2002 and 2008 the figure reached 65%, and in 2014 almost 70% (Hooghe and Rauh, 2017, p. 203). It proves that the neo-functionalist conviction about a rationally driven, self-interested Commission (accepted by the LI as granted, since it did not claim the opposite regarding the genuine intentions and interest of the Commission) is closer to reality than the historical institutionalist claim on resistant and reactionary institutions, and path-dependency.

To conclude, despite all the vivid differences, within the institutionalist depiction of reality mostly, if not only, institutions matter. They believe that the unforeseen changes in the process of integration hinge on the developments within and across institutions, using the CFSP to further corroborate their theory. However, as each and every IR theory, Institutionalism has its own limitations. The gamut of institutionalist arguments is wide enough to contribute to the understanding of outcomes of socializations within and across the EU's institutions, the impact of time as on the persistence of the institutional architecture and even the nexus between identity-driven politics and the multitude of institutional layers. However, this being said, Institutionalism is probably the least helpful theory towards understand the aforesaid major events in the history of European integration. On top of that, the inability to clearly demarcate the 'porous borders' between (the influence of institutions) defined in both wide and narrow senses and the clearly defined vital national interests and politics driven by them is the foremost vulnerability of the theory. I believe that the present article will have its modest contribution in triggering to address those theoretical limitations in the institutionalist literature.

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