

Dinan: Europe Recast

The early proponents of European Integration, wanted Europe to be a “third force” alongside the United States and URSS, but with the end of the Cold War, the European Union had the possibility to emerge as a second force alongside the United States: the European Union was able to assure its position as a global economic power, but this did not imply becoming a political and military power.

Historical research on European Integration started in the 1980s, when raw historical material began to be available to historians. It was around these years that the federalist interpretation of European integration, based on ideology and not on academic assessments, started to emerge. According to this interpretation, the decline of the nation-state and the emergence of European Union was both inevitable and desirable. The outcome of this process was not that certain. After the Congress of Europe held in 1958, the struggle for a union became more difficult: the fault for these increasing difficulties was given to Winston Churchill, that, despite calling for a United States of Europe, was still a nationalist with little sympathy for supranationalism. European Federalism had a sort of spiritual dimension that saw modern nationalism as a less worthy concept, given the fact that it had led Europe to misery by 1945. Jean Monnet was a proponent of European Unity, according to an approach that had its branches on functional economic integration. By contrast, Robert Shuman has a rather heroic and idealistic approach: he wanted to promote the reconciliation between Germany and France and was a Christian and a Catholic. Another Christian advocate of the European Union was Konrad Adenauer, and the Italian prime minister Alcide de Gasperi, who played a marginal role in the development of European Integration.

After the failure of the proposal for a creation of a European Defense Community in 1954 (that was the greatest setback in the history of European Integration), the face of the new hopes for federalists' views, was Belgium's foreign minister Paul Henri Spaak, whose considerations brought to the 1956-1957 negotiations for the European Economic Community. Federalist did not see him as a compelling character as Shuman because of his declared socialism and anticlericalism. Walter Hallstein, the first president of the European Commission, was a zealous federalist that entered in conflict with de Gaulle's interpretation on the matter of the economic community's political character. The first leader was representing the future, the other one was clinging to the past: the 1960's struggle represented an unequal battle between the head of an emergent European institution and a powerful national leader. The economic recession of the 1970s made everything worse: these were dark times for the European federalists, and integration at that time seemed stagnant or even regressive. Jacques Delors represented the salvation of that process: in 1985 he became the Commission president and created the basis for the later single market program. By that time, the federalist interpretation of European integration became stronger, but its outcomes were still uncertain. Integration, as the whole European Union history, was an history of successes, failures and struggles, and moreover, of experiments.

The European Commission had interests in encouraging research and writing on the history of European Integration because this could spread the federalist interpretation. The first professor of the European University Institute (EUI), founded in Florence in 1976, was a convinced federalist that seemed the reinforcement of the support towards European integration: but his efforts were not what he highly expected. The question we and the author are trying to answer is why, after so many speeches, efforts, papers and pronouncements on European Integration, its results were only partial?

Many historians of postwar Europe were very critical of the federalist interpretation. Alan Milward, an economic historian, explored the decision-making issues during the dynamics of the second world war. (according to Rosamond, see later, was consistent in his critic of neofunctionalism integration theory, as well as a historian focused on empirical details). He tried to compare the successful postwar reconstruction in 1945 and the tragic aftermath of World War I. Europe success in the first case, was due to the economic role of the United States by implementing the Marshall Plan: but Milward stated that the Marshall plan that did not help Europe to overcome its balance-of-payments problems. The real saviors, according to the author, were the ECSC and the European Payments Union. The first one felicitated the diplomatic settlements between France and Germany, creating the foundations for a stable

Western European order; the second one facilitated international trade that brought Europe to its postwar prosperity. The ECSC was able to create an efficient strategy to reconcile French economic modernization with German economic recovery: this was the genesis of the Shuman Plan. According to Milward, European Integration was not the result of idealism or the increasing weakness of the nation state: the very limited degree of integration was achieved because of the pursuit of narrow self-interests of the powerful nation states. With these interpretations, he debunked the extraordinary wave of enthusiasm for the European federation in the immediate postwar years. All of this was included in his publication, *The Reconstruction of Western Europe*, that had an important impact on the historiography of European Integration: his conclusions gained a lot of credibility: federalists replied to his affirmation stating that the author was neglecting and denying the important role of idealism, while exaggerating the role of national materialism in the making of post-war Europe. According to Milward, European integration had a state-centric nature.

Milward wanted also to analyze and study postwar economic reconstruction: according to him, there was a huge paradox around this matter: in the postwar period, nation-states were becoming more powerful because they had recovered from the war's devastation. But at the same time, they were surrendering their sovereignty to a supranational entity, that its proponent described as an antithesis of the nation-state. Here we can see a contradiction: how could it be possible for nation states to be strengthening and weakening at the same time? According to Milward, there was not an antithesis between the nation-state and supra-nationality because "the evolution of the Community since 1945 has been an integral part of the reassertion of the nation state as an organizational concept". This means that the two concepts are linked, because "to super-cede the nation state, would be to destroy the Community; to limit the process of integration, would weaken the nation state, limit its scope and its power".

The conclusion of Milward's thesis in his publication *The European rescue of the Nation State*, was that national governments went beyond traditional international interdependence, and surrender sovereignty in key policy areas to ensure its survival and enhance their authority. While federalists believed that European Integration would undermine the nation-state, Milward stated that it was an essential mean to strengthen the European nation state in the mid-twenty century. The process of European Integration was a part of the postwar rescue of the European nation state: the new political consensus required a progress of integration, in order to "save" Europe. In 1993 he published *The Frontier of National Sovereignty*, based on the primacy on national interests in the process of European Integration and mutual dependence of the nation-state and the supranational, applied on case studies and based on historical evidence. Milward stated that the nation-states chose to surrender sovereignty in a supranational entity when they agreed to go beyond traditional interdependence. This explained the acceleration of the integration process in the late 1980's, culminating in the Maastricht Treaty of 1992.

We can consider, as an annex to Milward's conclusions, another important book on the history of European Integration, John Gillingham's *Coal, Steel, and the Rebirth of Europe*, and analysis of the negotiations that led to the ECSC. According to the author, its role was ensuring stability, security and prosperity of Western Europe after World War II. Gillingham agreed with Milward, emphasizing the supremacy of national interests. In his publication, he contrasted the economic inadequacy of the ECSC with its political success: the ECSC was not able to bring about a fully functioning common market, but it provided a practical and effective peace settlement for postwar Europe, ensuring cooperative practices among governments and created the foundation for the European Economic Community.

Political scientists, mostly Americans, often analyzed the European Community in the 1950's and 1960's, and their interest for the EC increased in the 1980's, with the renewal of European integration. Prominent political scientists focused on the understanding of European integration between 1955 and 1992, while predicting its future developments. Andrew Moravcsik was the most famous and influential of these scholars, and wrote *The Choice for Europe*, a monumental study of European Integration. Following Milward's perspective, the author refined his state-centric perspective, beginning with the study of the negotiations that led to the Single European Act: he focused on commercial interest of the big member states. These determined government's preferences: developing a theory that has its foundations on

historical evidence, Moravcsik created an approach called “liberal intergovernmentalism”, focused on the understanding of key constitutive moments in the history of European Integration. The author was able to merge history and political science in his study, but his work was at the center of massive criticism.

Another political scientist working on the history of European integration was Craig Parsons, an author that focused on the key events of the 1950's, applied to the case study of France, a member state with a crucial role at that time. In *A Certain Idea of Europe*, he argued that the success of the ECSC and the European Economic Community was based on a combination of ideological commitment and positive domestic political circumstances (all led by a ruling coalition), rather than on economic and geopolitical forces.

John Gilligham, in the publication *European Integration*, had the aim to write a history of European integration from the Schuman Plan in 1950 to the Nice Treaty in 2000. He focused not only on national interests and supranational solutions, but on the struggle “between two principles of social, political and economic organization: the state and the market”. The tension that existed between these two concepts was responsible of the “zig and zags” of the integration process. The fight between market forces and statism was portrayed by Gilligham as the fight between good and bad: in the first stage of European integration, immediately after the postwar period, statism prevailed. In this phase, Monnet became an antihero, because of his disinterest in democratic institution. The “battle” between statism and markets took place in the 1980's and its main protagonists were Delors and Thatcher, representing the good and the bad. According to Gilligham, the negative outcome of the French and Dutch referendums on the Constitutional Treaty in 2005, was a signal to EU leaders that there was a need for the European Union to return to its first principles: the continuation of an essential economic integration.

Today, the emotional and political changed nature of Britain, has attracted academic attention: Milward stated that British policy was always consistent with a national strategy that had the aim to ease the country's transition from a great power to a middle ranking European power. This explained the difficulties that emerged. Stephen Wall emphasized the primacy of geopolitics rather than economic considerations.

Hallstein: United Europe, Challenge and Opportunity

According to the author (and to Alexis de Tocqueville), a new science of politics, a new redefinition of politics and economics is necessary: it is also necessary to eliminate the semantic dichotomy that exist between the two. In fact, the concept “economic integration” is a response to a political challenge, and it's indeed a political response to a political process. The European Community itself is not only a new economic entity, but also a new political entity, whose action have a political consequence in the world.

The world of politics is a world made of choices, and therefore we cannot think that the inexorable logic of economic integration is put into practice without making political decisions. Choices were made both before the beginning of the process of European Integration, and during and they need to be made also in the future, as the challenges for a fully Integrated Europe increases. These choices need to be made not only by the European Commission, but by all the partners in the free world. That's why the subtitle to Hallstein's publication is “Challenge and Opportunity”.

It was in response to a political challenge that Europe began to unite: one of those challenges was the technological one. In order to response to mass production, the world needed larger producers, better communication: and this led to the emergence of new economic giants, United States and the Soviet Union. The emergence of this giants created an incentive for older and smaller nation-states, that needed and tried to preserve their influence. These developments implied a political challenge too, because the need for larger markets was a challenge to the narrower frontiers of the nation-states: in this era, they needed to acknowledge their interdependence. These challenges are a permanent feature of our world's political landscape: but since some nation states in the 19th century, failed to come terms with them while facing the, some of these challenges are still open today. One example made by Hallstein is the thermonuclear bomb: with such destructive weapons, national frontiers began to lose their military

significance and war loss is role as a policy instrument. The aim of diplomacy wasn't that of assuring a win during a war, but to prevent the war itself: this meant that the aim of military policy could only be defensive and deterrent. The second challenge proposed by the author is a political challenge in the form of a political threat: the rapid establishment of Soviet hegemony in Eastern Europe, the division of Austria and Germany, the Civil War in Greece, the creation of the Cominform, the Zhdanov Manifesto, the Communist coup in Prague, the blockade of Berlin, the crushing of Hungary, the building of the Berlin wall are all examples of renewed challenges and threats to democracy. Western Europe was in danger for 15 years: adverse forces had as the aim the negation of democratic life. Their power was given by the fact that, since they feared that a direct attack would have as a response the use of a nuclear deterrent, they continually infiltrated in matters of economics and politics. This was the era of "Competitive Coexistence", a sum-zero competition between the Communist empire-building and the free-world of the West. Economic Integration in Europe was a necessary step to prove that the Western system, if based on the removal of all the artificial barriers in the free system, could be better than the Communist one. Economic Integration was also a necessary step toward meeting a third challenge, that historians see as the central issue of our epoch: the challenge, that was also an opportunity, emerged from centuries of domination and poverty of the new nations in Africa, Asia and Latin America. These new countries, learning from past mistakes, had the opportunity to emerge in the world as new industrialized countries, basing their foundation on a free and democratic system, as a solution to their problems.

All these challenges to the West, and to Western Europe, needed a political decision. As Shuman said on May 9, 1950: "It is no longer the moment for vain words, but for a bold act – a constructive act". Five years later the end of WWII, the political purpose was a political reconciliation and a progressive material integration between France and Germany, working to create a European Federation. This, according to Shuman, had to be realized with the fusion of their economic interests in order to establish an economic community. The immediate means were economic, but the goal and its nature were political. In fact, a deeper community, based on cooperation rather than on bloody conflict, was necessary. Following the Shuman Plan, that had as a starter The Coal and Steel Community (and two more ventures, that than failed, the Treaty for European Defense Community and the draft project for a European Political Community), the project for a European Atomic Energy Community and for a European Economic Community. Cooperation was a mean to assist integration.

The institution of the European Union should not be taken for granted: in fact, three of them, the Executives, the Parliament and the Court of Justice, are a clear acknowledgement of the unity of the larger entity that they created. The Council of Ministers, in some respects reminds us of an international body, but has a large role not only in its legal status, but also in its voting system and cooperative atmosphere. All these organs follow a political mechanism, and, with some limits, a federal pattern. As Professor James Meade said, a federation or an economic union are not based simply on the transfer to a supranational body to some economic matters, while the nation state have complete freedom in designing their domestic economic policies: it's much more far reaching than that. The EEC treaty provides joint action in the policy field, a collaboration in social matters, and a coordination on economic, monetary and financial policy, because policies related to them are considered as a "matter of common interest". Therefore, harmonization is required in the field of taxes, while, approximation is required in the field of legislation. Common policies are applied in the field of foreign trade, agriculture and transportation. Hallstein states that the logic of economic integration not only brings to political unity, assuring the fusion of interest, but also involves political action. Integration in economics brings integration in policies. As a metaphor, we could say that we are not sharing our furniture, but we are jointly building a new bigger house.

Political integration is a starting point to describe this proves. If we consider the relation of the Community with its partners in the rest of the world, we will see than a transformation was needed as this Community must compete in a world of giant powers. Creating a Community was itself a contribution, not only to the world's political and economic stability, but also to increase its prosperity and expansion of its trade. In fact, it was thought that the formation of an Economic Union in Europe could lead to rapid economic expansion in the Community, that would lead to an increase in its imports

from the rest of the world. Moreover, abolishing “protective barriers” between member states, and increasing the competition between their industries, would enable them to pursue liberal policies. The creation of a Common Market would create the incentive for negotiation to reduce mutual tariffs, that would benefit, and unite, the whole free world. In a world where the international economic relations were reordering, it was thought that the Community and its partners could be able to bring new forces to face the world’s new problems and challenges (trade with the Communist bloc, world of agriculture, developing countries). The European Community created not only a response to political and economic challenges, but also a new dynamic and new opportunities.

The aims of the Community were fully conforming with the rules of the existing international organizations to which its member states belonged, the OEEC and GATT. They both permitted and encouraged the formation of custom unions. The only limit was related to the external tariffs of these unions, that couldn’t be more protective than the previous tariffs of their individual member states. Another subject of debate was the association with the Community of overseas countries and territories. Under the EEC treaty, the Community countries gradually lowered to zero their protective barriers between them and the associates: this established a free-trade area between the Community and the associates. This was legally permitted under the rules of GATT. Some critics of the Community stated that this could harm exports. A similar debate took place within the OEEC. Some of its members, such as Great Britain, feared the consequence of the “discrimination” in the free-trade area: they proposed the formation of an OEEC-wide free-trade area for industrial products. The negotiation for this project continued until the end of 1958 but failed because of technical difficulties, and because of direct contrast of material interests (for example, Great Britain, appeared to be having a lot of advantages even if, compared to the other producers in the Community, was less strong). In addition to conflicts of interest and technical difficulties, there also were two other crucial political obstacles, that prevented the creation of the OEEC free trade area. First, the danger that in a wider and looser scheme, the Community would dissolve, losing its political entity, and becoming incapable of achieving the benefits of free trade. The second was that this area could create an even bigger area of discrimination, without the political advantages and guarantee of the European Community. A major victim of this increased discrimination would have been the United States, when they began to suffer from balance and payment difficulties.

All of these considerations led many people in the Community to favor a “world-wide approach”, and accepted the fact that the so-called “discrimination” was not as negative if considered in the context of the gradual elimination of barriers between countries with the aim of building a union, not only the aim of having more commercial gains. Even if in the short run, pressures to make bilateral, regional deals with other countries would have been strong, in the long run, more benefits would emerge consolidation, security and efficiency were expected to stabilize.

One of the aims that needed to be reached was a higher degree of liberalization: but free trade was only a partial solution to reach it. In order to meet this need, a political choice of great courage was once again needed. Since the negotiations for an OEEC-wide free trade area implied a world-wide approach, the choice was not exclusive: it must imply several special arrangements to meet cases and association agreements. To solve this problem, a pragmatic approach was needed. At that time, this approach was treated skeptically, and only gradually, its realities began to be felt. The community proposed to extend its trading partners first in the OEEC, and then, in the GATT, to gradually reduce trade barriers. Second, the Community accepted the proposal made by Mr. C. Douglas Dillon, to reduce the tariffs on GATT members by 20%. Third, the Community moved forward to its own external tariff, following the so called “Dillon Negotiation”: these were concluded with most of the participating countries, such as the United States. The Dillon negotiations were preceded by negotiations between the GATT’s contracting parties, that accepted the Community’s common external tariff.

After four years, it was possible to draw some conclusions: the economic expansion helped to understand how the process of integration provided a new dynamic. The immense increase in internal trade between the Community’s members states helped to show what a Common Market is. This process benefits not only the Community itself but also its partners in the rest of the world. From 1958 to 1961, the European

Community's total imports from the rest of the world increased by 27%, that is more than what happened in any large country in the West (in the United States, the increase was by 15%). The imports of the Community increased by 34%, and the increased United States exports towards the Community (44%) helped the country to recover the American balance of payments position. The standards of living in the Community increased in the matter of high-quality products from America.

The political experience of the following years seemed to confirm the confidence the Community's spokesmen have always expressed: its beneficent effects. According to the author, all the fears in the field on economics expressed inside and outside the Community were indeed exaggerated. In fact, all the benefits of the economic expansion within the Community, helped to balance and offset (and remove) the so called "discrimination" for non-member countries. According to Hallstein, the establishment of a large new economic entity, can bring the stability in market and prices, as well as a "continuous and balanced expansion", that can reduce the risk of a general recession. This is produced by the existence of the Community itself, and by the psychological climate that it helps to create. It is also enhanced by the pursuit of wise and forward-looking policies with long run aims, not only by the Community itself but also by its partners in the rest of the world. A common policy for external trade is one of the requirements of the EEC treaty. The establishment of a custom union implies the application of a common commercial policy, because if the Union is united only in the tariff field, many more problems could be encountered in other fields: all of this could limit the efficiency of the free-trade area. If each member state applies a separate policy on its external trade, the internal aspects of the Union could be imperfect. Moreover, since one of the reasons for creating the European Community was to enable Europe to play a major role in economy, and in order to be important in economic relations with the rest of the world, it is necessary that Europe speaks with one voice: only in this way its contribution can be at his fullest. A common policy in the external trade field, had to be applied until the end of the transition period.

The Community began in 1961 to take the first formal steps in this direction, establishing a procedure for consultation between the member states when one of them begins negotiation for bilateral trade agreements, or for agreements or plans that change its liberalization system. This agreement should always contain a "Community clause", and the progressive alignment of quota policies, antidumping measures, export arrangements and increase of liberalization. The aim is to reach a harmonious development of world trade while removing restrictions. Two major political developments helped to determine the conditions of its applications: they are inter-linked, and both start from the concept of "continual revolution". The first, was Great Britain application for full membership in all three European Communities (EEC, Euratom and ECSC). The second is the proposed Trade Expansion Act submitted to Congress by President Kennedy in 1962. Great Britain's application for membership in the European Community is a testimonial of the Community political success, and the demonstration that the pragmatic approach, used by the Community after the failure of the OEE-wide free-trade area. For the British government, it was an act of political courage, because it represented the recognition of economic and political realities that led the Community's existing members to desire a better and stronger unity, to maintain and determine a balance of power in continental Europe. The Community welcome the British request for membership: the negotiations took a long time because the ground to cover was immense and the problems were difficult to solve. The Community itself, even if successful, is still young. This creates a great opportunity to influence common policies in the future years, but it also means that the Community existing members have to accelerate the coordination of their own individual policies to arrive at a common basis on which to negotiate on common problems at once. The existing commitments of members of the Commonwealth in existing commercial arrangements, create an involvement in a whole series of world problems, including help to developing countries, stabilization of raw-material markets, and so on. Involving the connection of the Sterling Area, it also involves economic policy and world monetary problems.

The European problem creates economic and political issues. Within the Community, bad solutions and decisions would be those that weakened, disrupted and divided the larger and common market, policies that would create national exceptions to its common policies or that would prejudice its chances of further development toward unity. In external policy, bad solutions are those that crystallized or increased

commercial preference system, that discriminated among the Community's friends or allies, that would stop the "continual revolution" that is leading to greater unity the free world. Good solution is those that strengthen and further unite the Community, and at the same time those that enable it and its partners to apply effective world-wide solution to some of the major economic and political problems of our days. According to the author, the success, is highly plausible.

The prospect of British membership in the European Community was a plausible further stage in the "continual revolution". The proposal in the Trade Expansion Bill, the Reciprocal Trade Agreement Program and the Reciprocal Trade Agreement Extension Act, made the United States and the European Community capable of accounting for at least 80% of the world trade. This proposal, according to the author, represented a revolutionary step forward: the United States showed a new tendency, completely opposite to a protectionist and isolationist one, showing the importance of the recognition of the existence of European Community as an opportunity and a challenge for American exporters. While establishing the Trade Expansion Bill, Kennedy had clear in mind that liberalization of world trade must not mean pursuing sectional or national interests, or only those of the industrialized countries. It was necessary to follow the most-favored nation principle, performing a tariff cutting without discriminating other countries in the free world. That's why Kennedy described its proposals as an open partnership. His proposals included the possibility of "trade adjustments" measures, designed to help industries adapt this new situation: he implicitly acknowledges that economic change, and not only commercial bargaining, was taking place. Talking about "open partnership" meant recognizing the growing economic interdependence. This partnership is referred to as the formation of the "Atlantic Community": the author thinks that this definition is limited, because this Community is not confined only to the Atlantic Area, because its effects involve countries and partners in the Pacific and elsewhere. Also, it's not correct to define it as a Community, that implied the presence of a full economic union, full integrated institutions and strong political implications. According to Hallstein, this increasing interdependence, would bring a close partnership between two personalities: the European Community and the United States.

The GATT is working well being a good negotiation forum, and its efforts will be facilitated by the existence of the European community and by the Trade Expansion Bill, when it will become a law. But the modern economic conditions require more positive policies and institutions. Such role could be played by the Organization for Economic Cooperation and Development (established with the help of USA and Canada). The change from OEEC to OECD (dropping the word European and inserting Development) is highly significant: OECD marks the completion of European recovery and the recognition that what is now needed is economic cooperation and development in a wider scale. This means that many more problems have to be faced: some of them have been highlighted by the creation of the European Community, some depends by the negotiation with Great Britain, but all of them makes us understand that the Community is a growing reality, that demands political decisions on economic growth (an economic joint target was set), of the business cycle (in order to have a steady expansion), currencies and liquidity (it's necessary to create a European Reserve Fund, to bring higher stability), of developing countries (increase and coordinate the volume of aid to this countries), association with overseas countries (independent one mostly in Africa), the problem of low wage countries (its necessary to widen market outlets without disrupting industry within the Community). At the time the article was written, another mentioned issue is the one of trade with the Communist bloc: here, a common commercial policy should advantage the free world and be coordinated with the Community's partners.

All these problems are not just a matter of commercial policy or of foreign economic policy. For the Community, USA and the rest of the free world they were a matter of political importance, that, if not solved would have exposed to what the Communist ideology considered free economic society but that was full of internal contradiction. The communist bloc would have wanted the free world surrounded by its economic problems, to see Europe and USA to retreat in shorter sided and protectionist or isolationist policies, that would bring to low economic growth and economic crises. In synthesis, to see a world that is totally inefficient economically and politically because the economic community and USA lacked the courage, the wit and the political will to face the challenges and the opportunities of the '60s. The author

did not think the system would fail, and that a peaceful coexistence would have been reached with a genuine and lasting peace.

Rosamond: Theories of European Integration

Since the states exist, intellectuals have always sought to avert conflict and adhere to perpetual peace, studying and theorizing the conditions necessary for peace. During the 20th century, these feelings merged into the new academic discipline of the International Relationships. In the period between two wars we also begin to think about the future of Europe. The "European idea" was born among some intellectuals and politicians. The consensus shared among the authors is that Europe is a single major entity that could become a global force. Three perspectives of European integration are considered in this chapter: two are early perspectives, federalism and functionalism. The third was born by the effort of social scientists that wanted to bring about the formal separation of theory from practice, transactionalism. These three together offer variations on a similar theme and all of them aim to theorize the conditions for the eradication of international conflict and all were used as a tool to analyze the post war western Europe.

Federalism

Given the diversity among European states, federalism is attractive as a solution and in the study of European integration. There is no clear academic school of European federalism, because federalism has tended to be a political project with a goal in mind. As a former member of the European federalist movement stated "Federalist want to point out that the national states have lost their proper rights since they cannot guarantee the political and economic safety of their citizens. European union should be brought about by the European populations, and not by diplomats, by directly electing a European constituent assembly, and by the approval through a referendum of the constitution that this assembly would prepare. Federalism is a very elastic concept. It is a constitutional settlement based on the division of the authority between central and regional power (or national governments). According to Taylor: "The federal integration process requires the establishment of two levels of government, separated but coordinated, namely federal level and level of parties, local, regional and between members." Federal system implies an historic compromise involving the permanent compact between territorial units that give a measure of authority to a centralized and common institution, but remaining largely intact as units, retaining a certain measure of autonomy. The magic formula is the combination between two elements: the optimum mixture between unity and diversity: in this way constituent units can perform common tasks with maximum efficiency and maximum autonomy and decentralization.

We need to make sure we distinguish between a federation and federalism: federalism is an ideology whereas a federation is the derivative organizational principle. Another distinction is made between normative or ideological approaches on developing federalism, and the analytical mapping of federalism as a form of governance. There are three tendencies in the ideology of federalism: centralist, de-centralist and balanced. This indicates that federalism is a very broad and elastic concept, and that's why it's also a controversial concept. There are also practical ambiguities: for example, there is no core prescription about the division of power. The historical lineage of federalist approaches to European Integration is long and complex, with a mixture of different governing schemes. Murray gas defined three strands of federalist theory that have fed directly into deliberations about the European integration.

The first one is linked to Immanuel Kant, who stated the necessity of an expanding federation, because this would be the best constitutional safeguard against the threat of war. The second is related to the democratic theory and stated the need to ensure efficient governance within the democratic framework, so that authority is supplied as close as possible to people. The third strand is related to federalizing tendencies and processes, involving the analysis of background conditions, social movements that led to federal outcomes. Pentland stated that federal approaches can have two different starting points: a sociological one and a constitutional one. In federalist terms, the journeys from both starting points will lead to the same outcome: a clearly defined supranational state. For federalists, the supranational state generates efficiencies of scale, through a degree of centralization and upward devolution of policy

competence. This helps to distinguish a federation from a confederation, where policy competence in key areas remains largely in the hands of the member state. This centralization must be balanced by the democratic impulses produced by the constitutional allowances of multiple sovereignties achieved through the devolution of authority in selected policy domains. The federalist project involves creating balances between different levels of authority and between efficiency and democracy: for federalists is possible to reach autonomy and harmony in the pursuit of common objectives. The pursuit of these objectives must be constitutionalized and not left to traditional diplomatic devices. According to federalist these common aims cannot be achieved with unit action or the construction of international alliances.

The federalist formula has two advantages. Prevention of the capture of a system by any one group: federalist does not allow domination or models of totalitarian politics. The second advantages are that the federal state becomes a stronger unit against external threats. The logic of a federalist variant of European integration is two faced: the ratio behind federalist's solutions is the hope that the conflictual tendencies in the European states might be overcome. But the outcome of a federalist program is the reproduction of a nation state entity, in a supranational form. The extent in which this outcome could dissolve the existent international order is questionable. The method to reach this constitutional endpoint has been a point of disagreement among federalist thinkers and created several splits in the federalist movement in Western Europe since its emergence to the First World War. One view stated that a federation should be an act of constitutional immediacy. The other (gradualist) state that federalism had to be cultivated as a popular movement to create the impetus for a federal pact among political elites: in this view, federalists had a place as activist and consciousness raisers among mass public, persuading industrial and commercial actors. The securing of federal institution would emerge by creating a popular elected constituent assembly to draft a constitution for ratification in national parliament. To accomplish all of this, popular will was necessary, as well as opportunities. It was important to develop tactics and strategies to bypass the excessive resistance of national governments, who has an interest in the preservation of the old order. Federalism should be a process, as an evolving pattern of changing relationships, rather than a strategic design regulated by fixed rules. The main question was analyzing the function of a federal relationship, rather than its structure. Etzioni in "Political Unification" stated that a political community is a community that possess three kinds of integration: it has an effective control over the means of violence; it has a center of decision-making that is able to affect in a significant way the allocation of resources throughout the community; it is the dominant focus of political identification for the large majority of politically aware citizens. The author tried to operationalize classic federalist ideas in order to understand how the federalizing process work: this created a lot of questions about the nature of relations between states prior to the initiation of the unification process and about the unevenness of this process and its actors (some are more implicated that others) and also about the functions of a system once unification is accomplished or interrupted. Despite all these differences, federalist analyses are united by the assumption of the primacy of the "political" concept: political problems require political solutions and the means to attain those desirable outcomes are political. This stresses the point on the political economy of integration, where economic forces are processes generate political transformation and where the guiding logic of human actions are political and technocratic. Federalism (different than transactionalism) does not regard sociological changes as an enough condition to reach integration. Institutions matter, both to inaugurate a transnational federalist legal order and to shape a mass ideational change in order to prefer a federation as a structure of governance.

Evaluation and critique

There is a difficulty on dividing federalist theorizing from policy practice. The purpose of many federalist of contemplating the structure and processes of federalist and federation was to find the most appropriate tactics and legal formulae for the implementation of their normative agendas. Federalist organizations may appear to have a marginal influence in the history of the Community, but federalists' ideas have permeated the Community and help to define its problems and responses.

Some of the criticism of federalist approaches to Europe, include the “evolutionary” federalist critique of the early supposition that integration in a federalist sense could be accomplished after careful and rational constitutional designs: these theories made federalism less ideological. The federalist concern with politics directs attention to the creation of a state-like institutional order at the European level: this led to the fear that federalist theory could misunderstand the nature of problems, seeking an inappropriate solution to them: the critiques to federalism is about their reproduction of the organizational form of a state (that governs bounded territories) at a European level. This has two potential dangers: the concentration of governing capacity at the European level creates a dangerous distance between the governors and the governed. The advantages of nation states are having a powerful claim on the loyalties of peoples and constitute viable political communities in a way that federated entities cannot. The second danger is linked with the external projection of federalist logic: interregional rivalries as super-states reproduce the flaws of a nation state in an international system, but on a bigger scale. So, all these concerns are linked to the terminal condition of European Integration: the question is if a federated Europe would be a desirable outcome for the promotion of an efficient and democratic government. A federal Europe is an ambiguous concept: it would mean transforming the existent member states into entities analogous to the US states, and accepting the logic of differentiated integration, where the pattern and depth in which member states are integrated may vary from case to case. A federal Europe might be like a Europe of the Regions, where the rigidity of the national territorial barriers might fade away and the two primary levels of governance are regional and European. A federal Europe might also lead to delimitation of powers of central European level institution, to balance and protect the rights of the member states. So, this led to the core problem of federalism we already talked about its conceptual elasticity. It could be useful to a wide variety of political projects but is difficult to analyze in academic terms. Finally, the claim that federal constitution is the best to protect individual freedom are unproven.

Functionalism

Functionalist approaches have been central in the study of international integration: they are also a core element in the general study of International Relations. Taylor stated that functionalism is the intellectual ancestor of the more recent approaches to study international order, such as interdependence theory, or world society approaches. Most would recognize that functionalism has a place within the liberal-idealist tradition of International Relations (let’s think about Kant or Wilson). The foundation of functionalism tends to reside in a positive view of human possibilities and human nature. Rational, peaceful progress is possible, while disharmony is not endemic to the human condition. The key author in Functionalism is David Miltrany. His theory is represented in works such as *A working Peace System*, underscored with optimism for enlightened social engineering (1966). Like federalism, functionalism was a branch of the broad movement that wanted to theorize the conditions of ending human conflict and which found intellectual space in the turbulent political climate of the 1940’s. Miltrany declared to be a social scientist too, with the aim of recommending strategies for achieving a system of lasting peace, building arguments carefully, refusing the rigidities associated with inter-war idealism. For Miltrany, the starting point should be not a question about the ideal form of international society, but about what its essential functions should be. Functionalism is an approach, rather than a theory: it does not begin from a rigid set of foundational prepositions shared by all functionalists. Functionalist approaches to world politics (and to European integration) tend to have a broad-ranging agenda. The core of this agenda is the prioritization of human needs or public welfare, opposed to the celebration of the nation-state and ideological beliefs. Functionalist tend to express nervousness in the capability of nation-states to fulfill human needs. This is not simply because they tend to have a transnational aspect, but because the existence of nation states tend to elevate some sort of dogmas, that distract policies from the issue of maximizing public welfare. So, human beings need to be rational about their needs, but also creative with respect to the construction of authoritative institutions that can perform the *function* assigned to them (that’s why we talk about functionalism). Miltrany’s functionalism offers a technocratic vision of human governance: government by politicians imply that the principal motive of politics is the acquisition and retention of power, rather than the pursuit of a common good. Functionalism, according to Haas, is similar in this matter to some Marxist and Leninist aspirations to replace the “government of men” with the “administration of things”.

Miltrany anti-dogmatism was extended to the state: if we see the state as a given concept, then we impose an unnecessary inflexibility when it came to think about the requirements of human beings. Some needs of human being, for example, are best served if we ignore the conventions of national territory: transnational institution can be better and more efficient than national governments in providing welfare. The creating of such bodies can have two effects: the efficient performance would result in a process of popular loyalty, that would be transferred away from the nation state. Second, international conflict could be reducing. The application of technocratic and rational approach to human governance was the basis of a working peace system. This means that functionalism has two sides: a technocratic and rationalistic one, and normative one. In Miltrany's work, these two aspects came together.

The functionalist mantra was "form follows function". Human needs change over time and vary across space. This means that the design of institutional solutions had to be an open mind and flexible process. This is the strength of functionalism: the prioritization of human needs is the central concern, not the establishment of an integrated end state. So, flexibility is a key word: in this way, we can say that functionalism is not really a theory of integration because the term "integration" is suggestive of an institutional end stage. In "the progress of international government" Miltrany lay out some key principles, later formalized into functional theory. For Miltrany, the state, a mean to human fulfilment, has become an end. Miltrany moved three critiques: first, it was a mistake to see the world as a legal imaginary of formally separated sovereign entities, and Miltrany preferred speaking of states in terms of material interdependence. Secondly state fixation constrained the possibilities of innovative thinking, assuming that the only replacement for a state system could be a state-like entity dispersing governance to the whole world: Miltrany wanted to develop a third way, between the rigid dichotomous logic and its conceptual stagnation. Third, another difficulty in state fixation emerged from the internal capabilities of states in their techniques of government: for Miltrany, the new welfare systems confronted the old image of the states as the guardian of peace and order. Functionalist like Miltrany foresaw a proliferation of flexible task-oriented international organizations as the means to address the priorities dictated by human needs. They had to be flexible, selected specifically, organized separately, according to nature, conditions and needs of the moment. This essential principle represents a cobweb of diverse and overlapping institutions of governance, differing in form as functions vary. After analyzing different forms of functional organizations, Miltrany developed an argument stating a self-selecting method in functionalism: the connection between the organizations and the realization of an international society was presented using an evolutionary language, in terms that anticipated the neofunctionalism conception of spillover. The establishments of task-oriented agencies were expected to induce an attitudinal change among those affected by their operation: functionalism could produce the condition for the reproduction of these agencies. Also, if this functional organizations were founded on rational engagement with human needs, their operation would deliver benefits, and bring to a wider participation within these bodies. The complex web of organization would cement processes of interdependence among states and societies, reducing the probability of conflicts.

Functionalism and European Integration

We can note Miltrany's negation of regional integration arrangements (for example, the Briand Plan, seen as too statist and exclusionary). The functionalist argument evidently objected to the territorial closure implicit in schemes of regional integration. Miltrany posed some questions in the definition of Europe in terms of its boundaries and about the impact upon the world outside. He stated that between the conception of continental unions and that of a universal league, there is a difference in essence: one proceeds by defining a territory, the other of functions. Unions define a territory by differentiation between members and outsiders, leagues select and define functions to integrate about the interest of all. This means that regionalism was a recipe for reproducing the faults of the state's system: a territorial logic, opposed to a functional one, created the potential for interregional antagonism. Miltrany stated, analyzing the maturing process of regional integration represented by European Communities, that in this contained both a federal and a regional error. The regional one was the tendency to draw boundaries and to impose limits upon membership within entities; the federal one is the tendency to constructs arrangements for political purposes. A political union is always nationalistic, and this may defeat the

purpose of a general system of peace and development, but would create a closed, exclusive and competitive system. Moreover, regional schemes would reproduce territorial state-like functions at the supranational level and keep intact the decision-making structures of the component states. According to Miltrany, this leads to domination of the most powerful states. Regional Unions are constructed in the same way of states, but they lack the natural cohesiveness of nations, and lack to construct as imagined communities. This means that regional integration projects are not compatible with functionalism, as they are atavistic, creating antagonisms, and recidivist, as they took governance back to its anachronistic foundations of statehood and territory. Miltrany respected the European Coal and Steel Community and the European Atomic Energy Community: in both he saw functional and logistic elements, such as the consultative mechanisms and the possibilities of operations with non-member countries. The main issue remained that European integration represented the application of a territorial logic, rather than a functionalist one.

Evaluation and Critique

The most important claim about the importance of functionalist is that it laid the foundations for neofunctionalism integration theory, the branch that is closer to the development of the European Communities. Many neofunctionalists appeared to claim Miltrany as a direct intellectual ancestor. The emphasis on the technocratic fulfilment of needs as the basis for a more profound and lasting system of peace, the evolutionary logic (that anticipated the spillover theory) are a clear demonstration. But Miltrany objected the associations between neofunctionalism and the construction of new political communities, because this was the opposite to the functionalist projects. Functionalism provided an innovative and distinctive approach to the study of international politics and international organizations, giving the possibility to think beyond conventional categories. According to Paul Taylor, functionalism offered a distinctive alternative to normal ways of thinking about the Post-Westphalian international order. There are affinities with neofunctionalism integration theory because Miltrany's work can be thought as the anticipation on the concepts of interdependence, transnationalism and governance without government. Recent EU governance shares the imagery of a complex, overlapping, multi-level authorities that can be found in functionalism: we can say that functionalism offers a theoretical framework.

Critics of functionalism can be distinguished into four main categories. The first emerges from the functionalist assumption that the determination of needs is an objective and technocratic exercise: Miltrany refused the laissez-faire capitalism, but the application of the functionalist approach to the system of production and trade would require alterations to the behavioral logic of markets, and firms. The second criticism states the Miltrany's functionalism is naïve and rests upon unfeasible assumptions about the ability of peoples and governments to move in rational directions: critics thought that functionalism was blinded by its own rationality, that assumed the primacy of human needs. The aim of the government should be reaching the maximum human happiness, given that national governments are the most efficient capsules for efficient and representative governance. These ideas did not spread among mass publics and political elites. The basic idea of functionalism was that integration was the gradual triumph of rational and technocratic over the political: but this dichotomy is false. In fact, technocracy is deeply political. The flaw of functionalism was assuming the separation between power and welfare. Also, the mechanism through which needs are identified is not specified. A third common criticism of functionalism is that it has a poor record of prediction: this means that things have not turned the way Miltrany envisioned. But we can say that his work was much more about advocacy, rather than prediction, it was a theory as political interventions rather than a theory as a law-like generalization. But, there was a predictive element in functionalism: the emphasis on the progress and nature of social change meant that the recommendations for international organizations reflected assumptions about the evolution of human needs and the tendency of forms of governance to adapt to these changes. A fourth criticist was that functionalism had a lack of scientific rigor, a sloppy conclusion and a naïve methodology. Miltrany was a self-conscious political scientist that wanted to develop arguments basing them on how things were, rather than through idealist impulses. His theory was flexible, and this makes it a grand theory. Theoretical rigor was problematic to Miltrany because it denoted practical rigidity and creative closure.

Transactionalism

Federalism and functionalism culminate in the transcendence and the containment of the nation state. Other approaches tried to theorize the conditions for the stabilization of the nation-state system. If higher authority or international organizations have a place, then it must provide the conditions for the creation and maintenance of this equilibrium. This happens when there is interaction through economic, social and cultural processes. This process is linked to a fundamental issue in International Relations, the problem of war. Integration means achieving a sense of security in a region, so that war cannot be a means of resolving international differences, but nation-states are not necessarily dissolved. The transactionalist approach to international integration is associated with the work of Karl Deutsch. In "Nationalism and Social Communication" he stated that the study of nationalism and the integration of national communities shared much with the emerging study of supranational integration. He stated the importance of communication as the key mechanism of the social mobilization of communities that was responsible for historical processes of national development. These processes also characterize the international sphere where states build security communities among themselves. International integration is defined as being about the achievement of security within a region or among a group of states. Successful integration is about the radical reduction of the likelihood of states using violent means to resolve their differences. In "Political Community and the North Atlantic Area" Deutsch focuses on the study of possible ways in which men might some day abolish war. The focus was on the operation of security communities (political communities where the expectation of war is minimized). Security community was the attainment within a territory of a sense of community and of institutions and practices strong enough and widespread enough to assure for a long time, creating expectations of peaceful change among its population. This definition was created presenting two distinct sorts of security community. The first, amalgamated security community involved the formal combinations of two separate units (states) into a larger unit, using an institutional fusion. The second, pluralistic security communities, were defined as entities that where the component governments maintained their separate legal identities, and where integration occurs without institutional merger or the creation of a supreme overarching authority. The second form appeared to be Deutsch's favored model on the grounds where it was more likely to arise in practice and potentially more durable than amalgamated security communities (vulnerable to much more potential destabilizing factors). Pluralistic communities require only three conditions to exist: compatibility of major values among the units, a capacity for politically relevant groups to respond to each other's questions, without violence and a mutual predictability of the relevant aspects of one another's political, economic and social behavior. A German sociologist, Tönnies, made a distinction: *Gemeinschaft* (community) denotes a situation where people are held together by common sentiments and common loyalties (kinship develops within a group). *Gesellschaft* (society) is a condition binding people less through trust and more through a mixture of self-interest, division of labor and contract. Deutsch was interested in *Gemeinschaft* as the condition of integration: the end point of integration, is a sense of community, so his task was to investigate the conditions and processes that led to this.

The guiding hypothesis of transactionalists work on integration was that a sense of community among states would be a function of the level of communication between states. To create *Gemeinschaft* it was necessary the establishment of a network of mutual transactions. The more interactions exist between states, the better the reciprocal importance (mutual relevance) they have for each other. Interaction is beneficial because it will promote feeling of trust between states, and more trust brings more interaction. The potential for integration occurs in situations of high international transaction. Integration is secured when mutual responsiveness prevails: responsiveness is the probability of getting an adequate response within an acceptable limit of time, it's not just a consequence of willingness to interact, but has to do with the capabilities of actors to interact (availability of communication-facilitating technologies). Integration is accomplished if capabilities are ahead of the development of needs. The emphasis on needs indicates the connection with functionalism, but Deutsch was critical of some aspects of functionalist logic: the level of communication undertaken by functional international organizations were insufficient to generate the necessary loyalties among mass public and to secure a lasting peace. International civil servants, because of habit and necessity, tend to communicate with governments rather than with people, even if

they are responsible for them. Under these conditions, popular loyalties to international agencies, will not grow, and the appeal of nationalist images and symbols will weaken. This means that functionalist methods of integration will not fulfill the conditions necessary to make a lasting difference in the world order. Deutsch was an ally to functionalists against federalist, that accused of advocating premature overall amalgamation.

Evaluation and Critique

Deutsch is considered as a pillar in political science. He applied new techniques to the study of politics. In international relations, he redefined the discipline in terms of societies and people interaction, rather than interstate relations. His contribution is defined as the investigations of the “sentimental relations among peoples” and their causes and consequences. Deutsch relied on the analytical separation of the legal state from the sociological notion. This was a challenge to realist conceptions, focused on national interests as the interests of governments: according to Deutsch common identities are the product of intensive transactions and communications. So, the development of multiple interactions among different peoples is the basis to the creation of increased mutual understanding and to a widespread sense of security. In the matter of the study of European integration, Deutsch contribution is a bit less clear: he was less concerned with the transcendence of the nation state and the construction of international institutions, and wanted to create an approach to integration with the aim of preserving nation states as the main actors in international politics, hoping at the same time to reduce the likelihood of an international conflict. A combination of the values of national self-determination and international peace and security. Deutsch was not concerned with building a theory out of observation of the European Communities: he looked at multiple historical instances of the creation of security communities to establish a set of general theoretical propositions. Deutsch preference was for a pluralistic security community, where the EC was not an instance: but he provided an important argument about the evolution of amalgamated security communities for which the EC offered a primary case study. The development of functional linkages through informal economic and social interaction among separate West European communities creates tendencies that lead to assimilation and integration. Formal institution building is a mean to preserve the community that created an intense pattern of communication. There is an empirical disagreement between transactionalism and neofunctionalism: the first one states that integration was reached in the late 1950's.

Criticism of transactionalist approaches begin by stating that the process recognized by Deutsch pose serious problems of measurement and operationalization, because Deutsch saw integration as a quantitative concept. In this way, it's easier to make a comparative analysis, but the problem is the need of many sophisticated data to test these hypotheses. A second line of criticism concerns the lack of clarity in Deutsch's work about the mechanism through which certain key processes operates. One was the nature of the transition from integration to amalgamation. In transactionalism there is the assumption that mass sentimental change would eventually force formal policy changes in governments. But, attitudinal patterns among mass publics derive from national media in which national authorities are heavily implicated. Conventional theories of foreign policy making of realism clash with Deutsch's transactionalism: realist focused on the strategic location in the international system of states, while Deutsch focuses on the inner political or attitudinal dynamics of the domestic polity. Deutsch was also critiqued because of his assumption that increased communication would necessary lead to cognitive change.

Conclusions

These early manifestations of integration theory emerged as early attempts to produce a non-realist form of International Relations scholarship. The guiding dogma was the question of the avoidance of war. Europe in inter-war and post-war period was a clear empirical laboratory. Theoretical work generated important debates in the scholar's community and the work of neofunctionalism, drew also on the claims of functionalism and transactionalism. The questions raised by early integration theory are still relevant today because they are questions about structure and agencies. The concern is the centrality of states to

processes of social change, the ability of states or other actors to survive structural transformations and the relationship between state and non-state actors and the processes of economic change. The study of these three theories shows how difficult it is to separate theories, advocacy and practice.

