FEDERALISM THROUGH THE THEORIES OF EUROPEAN INTEGRATION[1]

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Abstract

The discussion on the future shape of the European Union (EU) always provokes a political debate about the political finality of the EU that brought federalism back on the European agenda. The concept of federalism has always been a source of inspiration for European construction, often implying the transformation of the EU into a federal state.

For federalism, the aim of the European Union is to integrate different entities, but not to assimilate them. It is about finding the balance between 'self rule' and 'shared rule', about being a unified entity and maintaining diversity and difference.

Federalism itself has had a great impact on the growth of the European Union in terms of its values and purposes, in the context of the process of European integration and the process of political integration of Europe. Hence, a politically united Europe would mean a stronger, more viable and assertive Europe in international affairs.

The Constitutional Treaty, which equally strengthens the intergovernmental and the supranational institutions of the EU, is an example of the federal nature of the EU. It is an act that balances between the representation of the territorial and functional interests.

Thus, federalism is useful for reflecting on Europe's political finality and provides a better tool for understanding the current structure and functioning of the European Union, because a united Europe needs to reflect a stable political unification.

Key words: federalism, integration, European Union

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[1] review scientific paper

INTRODUCTION

Jacques Delors once said that federalism has always been a point of reference and a source of inspiration for European construction. Many European politicians, from Robert Schuman to Joschka Fischer, have called for the development of a federal form of organization for Europe. In old nation states like Great Britain or France, federalism often creates the threat of extreme centralisation even though this form of political organization is based on a desire to preserve the autonomy and the diversity of the federated entities (Kelemen, 2003, p.184).

In the last decade there is an apparent increase of economic and political activity taking place in the worlds regions, but which we are not able to classify, explain or to predict whether it has the potential to promote state-building [i] (Elazar, 1995). One concrete example is the European Union (EU), where the vast majority of scholarly activity today is focused on explaining decision-making processes, democratic deficit, policy analysis, etc., but few dare to examine the nature of the European Union and to build a theory explaining it - apparently, the perceived defeat of neo-functionalism is still too discouraging [ii] (Joerges, Mény and Weile, 2010).

In this article federalism theory has a prominent place. Altiero Spinelli and Denis de Rougemont explain federalism theory as an ideological theory or action to promote European integration. Friedrich, Riker and Wheare defined it as a theory to explain the organization and functioning of federations, but it is often overlooked as a general theory of regional integration (Elazar, 1987, p.13). Søren Dosenrode (2010, p.4) claims that: "federalism theory is not 'enough' to catch all regional integration processes". To do so, Dosenrode claims, "we have to add neo-functionalism, which is able to explain an 'organic' or slowly developing regional integration".

EUROPEAN INTEGRATION AND FEDERALISM

There are competing visions about the future of European integration and to some extent they depend on the analysis of the European integration process so far. The process started more than half a century ago, and many different explanatory theories have been developed and refined. Among those theories, federalism has had an uncommon history and role, since it is the official ideology of a European political movement promoting European political unification (Castaldi, 2007, p.1). The fact that federalism is considered mainly as a political movement or normative theory, has resulted in the analytical aspect of this tradition to be usually unnoticed or ignored.

Mario Albertini (1963-1999a, 2000) explained federalism as a political thought or ideology.[iii] In fact, on the basis of Mannheim and Ricoeur's terminology, it would be a utopia[iv], a political thought aiming and managing to transform the existing political order–against ideology, which legitimises and consolidates it (Mannheim, 1953 and Ricoeur, 1986). Indeed, all political thoughts start as instruments to think about the future, to interpret the social processes, and to mobilise social energies to transform or preserve it. At the beginning they generally identify new social needs, and take time to affirm themselves, by changing the social order. Then, as soon as their goal has been obtained to a reasonable degree and their political elite has become mainstream and joined the rank of powers, it will turn to the consolidation of the new order. Liberalism, democracy, socialism, communism and nationalism were all born utopias and as they were successful turned into ideologies. This may happen for European federalism as well, but since a European federation is not in place, it is still in its utopian phase (Castaldi, 2007, p.2).

Castaldi (2007, p.3) devoted much of his research to the study of Albertini's activity:

> "Albertini suggests that the federalist value is peace, following Kant's argument that peace is not truce and requires a cosmopolitan organization to solve international controversies by law and on the consideration that the only way to have an effective cosmopolitan organization is along federal lines. The institutional aspect is the federation or federal state – as opposed to a unitary state on the one hand, and to a mere confederation without any transfer of sovereignty to the central institutions on the other."

It appears that the old nation-states are too small to effectively handle the main problems for the survival of any society, such as security, economic development and now also environmental sustainability, and requires larger federal units (Albertini, 1963-1999a, 1966-1999b, 1985-1999a).

According to this idea and his research, Albertini identified that federalism merged unity and diversity, cosmopolitanism and communitarianism. From this point the value aspect of federalism comprises both peace and the cosmopolitan solution of global problems.

The academic debate on European integration and the EU is more and more divided into different disciplinary approaches and each of them is trying to define the integration in accordance with its aims. It seems appropriate to mention a few of them. Political theory and philosophy discuss the finality of integration, the existence, the democratic deficits, creation of a european people, european constitutionalism and other

normative aspects. Political scientists also focus on what is the EU, and on studying its institutions and policies. International relations theorists compare integration with other forms of international cooperation and regimes, and tackle the issue of defining integration and its dynamics and main actors. Finally, the economists concentrate on the European "economic" policies, economic integration and monetary union, and on the Common Market (Castaldi, 2007, p.8).

THE THEORIES OF EUROPEAN INTEGRATION

All theories of European integration started as normative theories, as they existed before the start of the process and dealt with how to conduct European integration. There are basically three broad theories, with many sub-species, which developed during the process: realism, neo-functionalism[v] (to distinguish it from David Mitrany's functionalism, opposed to regional integration) and federalism.

Realism has taken many forms during the process (confederalism, internationalism, unionism, and later intergovernmentalism). Its basic original principles are clear: the states have all the power and sovereignty, and will never give them up. Therefore, the main actors of the process are the national governments. They made treaties, control the goal, dynamics and timing of integration. As they are unwilling to give up their sovereignty, integration is just a sophisticated form of international cooperation and the European Communities are just strengthened alliances or international organizations. In its extreme form, this view may challenge the very use of the term integration, in place of cooperation. Realist thought favoured some form of international cooperation in Europe through a confederation, not impinging on national sovereignty.[vi]

Neo-functionalism, on the contrary, came out as a winner, and has been the almost official position of the European Commission. Neo-functionalism's aim was creating a European federation. It considered the existence of a community providing an identity to the individuals and commanding their loyalties, as an essential element to construct a state (Deutsch, 1952-1966, pp.78-79). Consequently, to build a supranational state there is the need for sociological integration, which means creating a sense of community strong enough to provide identity and loyalty. The relationship between social learning and community building is particularly strong in neo-functionalism, where integration is seen as a process of collective social learning and community building (Haas, 1963, pp.6-36).

Neo-functionalism considers the Communities as supranational organizations, between international or intergovernmental organization and a federal state.

Federalism or constitutionalism, was very clear and simple. The crisis of the nation-states required Europe to unite in order to survive as a political entity. A federation was considered the only institutional formula to create an efficient central government compatible with the greatest autonomy of the member states. The goal was a federation and the main actors were the European people. This vision was already sketched in the Ventotene Manifesto, drafted by Spinelli, Rossi and Colorni, in 1941.

After the Second World War, the super-powers helped to rebuild the old nation-states as their satellites, and the federalists turned to the national governments to reach the European federation. When the initiatives of the governments produced the Council of Europe and the European Coal and Steel Community (ECSC), the federalists criticised them and continued to call for a real federation.

According to Castaldi (2007, p.14-15):

> "[…] the federalists seized the opportunity offered by the European Defence Community (EDC) to advance the idea of a European Political Community (EPC), to be based on a Treaty-Constitution drafted by a constitutional Assembly rather than an IGC. After an initial success, the defeat of the EDC was seen as a realist victory and a federalist defeat, and the birth of the European Economic Community (EEC) and Euratom, as the triumph of neo-functionalism."

Since then, neo-functionalism and realism or intergovernmentalism have been the main theoretical contenders, while federalist theorising was marginalized.

At the beginning of the process, all theories had a normative character. The Hague Congress in 1948 was a success for realism, as it produced the Council of Europe, with no supranational powers. In 1950 the Schuman Declaration (inspired by Jean Monnet[vii]) represented a clear neo-functionalist success. The Schuman Declaration proposed the ECSC as the first step towards a European federation. It set the goal shared by federalists and neo-functionalists, but definitely chose the neo-functionalist (gradualist) strategy.

These theories focus on different key variables to explain the process. For instance, realism focuses on changes in the wider international context, liberal intergovernmentalism on domestic policy priorities, and neo-functionalism on intra-Community relationship. Burgess (2000, p.86) explicitly considers them all in his federalist account of European

integration. The federalist framework theory explains super-systemic change, taking into account the interaction of these variables and not just one of them, while at the same time, taking into account the general public and pro-European movements and personalities influence. As Castaldi (2007, p.26) concludes:

> "Both neo-functionalism and liberal intergovernmentalism have their weakest point in explaining why a certain decision has been taken at that particular time. And this is the issue on which the federalist framework can offer a major contribution."

In addition, each theory emphasises unilaterally some aspects present in the European integration process. The federalist framework offers a useful account of European integration, and complementary to the liberal intergovernmentalist one. On the other hand, neo-realism and liberal intergovernmentalism consider the integration process as the outcome of political negotiations between self-interested nation states. Thus, they leave little space for any significant role by non-governmental actors and European institutions. These theories reduce the process only to national governments negotiating. The framework theory reconstructed from the federalist tradition exploits the insights of existing theory and offer a complementary view of liberal intergovernmentalism. Basically, the federalist framework avoids the neo-functionalist underestimation of politics in the European integration process. Federalists recognise the crucial role of national governments and political considerations in the process and they do not believe that national governments can support European integration for the sake of the federalist ideology. Thus, while they recognise the role of several European political leaders, federalists also do not accept the view of European "saints" criticised by Milward (1992 and 1994).

Both intergovernmentalism and neo-functionalism draw on international relations approaches: intergovernmentalism from realism, and neo-functionalism from pluralism. These two competing theoretical approaches aim to explain the nature and speed of European integration (Bache and Flinders, 2004, p.2). Intergovernmentalism highlights the central role of national governments in the process of integration. On the contrary, neo-functionalism suggests that states are increasingly losing control in a "web of interdependence" that provides a role for supranational actors and organized interests in shaping the direction of integration (Ibidem, 2004, p. 2).

Intergovernmentalist approaches to the study of the European integration as outlined by Hoffmann (1966) (and later refined by Moravcsik in what he calls the "liberal intergovernmentalist" approach) draw from realist international relations theory. Integration occurs when sovereign states, in

pursuit of national interests, negotiate cooperative agreements. In contrast to neo-functionalism, intergovernmentalism emphasizes the strength of nation states as drivers of integration. Indeed, as Hoffmann (2003, p.175) writes, "the resistance of the nation-state is proven not only by the frustrations of functionalism but also by both the promise and the failure of federalism. On the one hand, federalism offers a way of going 'beyond the nation-state,' but it consists in building a new and larger nation-state. The scale is new, not the story, the gauge [is new] not the game" (Ibidem, 2003, p.175).

The "liberal intergovernmentalist" theory of European integration, as advocated by Moravcsik (1993, 1994), suggests that the EU's institutions strengthen the power of national governments, first, by increasing the efficiency of interstate bargaining and second, by strengthening the autonomy of national political leaders. Moravcsik's approach assumes that national governments have the means to control the access of their sub-national governments to the EU's main decision-making bodies (Moravcsik, 1993). In the member states, traditional foreign policy powers serve as the basis for national participation in the EU (Stein and Turkewitsch, 2008, p.14)

In contrast with intergovernmentalism, neo-functionalism focuses on the erosion of state sovereignty and perceives the EU as a supranational entity. Neo-functionalism has been criticized on both empirical and theoretical grounds (Strøby-Jensen, 2007, p.93). On theoretical grounds, one line of criticism was that of Moravcsik (1993) who sought to reposition the nation state at the core of the study of the EU. He stated that, "whereas neo-functionalism stresses the autonomy of national officials, liberal intergovernmentalism stresses the autonomy of national leaders" (Moravcsik 1993, p.491, as cited by Strøby-Jensen, 2007, pp. 93-4).

At the same time, federalists accept the possibility for European institutions to play a specific role in the process, including the European Parliament, which is often underestimated by all other theories. The federalist framework identifies the specific role that national governments and politicians, European institutions, and federalists ideas and organizations can play in the process (Castaldi, 2007, p.27-28).

The evolution of federalist thinking is unknown or not recognised, also because a federalist academic school only took roots in Italy. It is not surprising that federalism, just as most other theories of European integration, was first developed only as a normative one. After the First World War, and then during and after the Second World War, the idea of a federal Europe was proposed to ensure peace on the continent. The idea of creating a new and more peaceful order was widely shared and different theories dealt with this issue of identifying both the ultimate goal and the

means to achieve it. Federalist and neo-functionalism both favoured a European federation, but proposed different views about how to establish it. The federalists suggested to elect a European Constituent Assembly to draft a European Constitution to establish the European federation. The functionalists considered such a jump impossible at the time, and called for a gradualist path, which would lead to political union slowly but surely and without a break. This is the classical dichotomy of federalism and neo-functionalism, and generally here the story ends.

Realism and the concept of *raison d'état* are adopted to explain the member states tendency to retain as much of their own sovereignty as possible notwithstanding the need to solve common problems together. Elements of institutionalism and path-dependence theories can be found in the relevance given to the concept of "construction" and in the theory of constitutional gradualism. The old federalist and constitutionalist view is adopted in relation to the condition for the establishment of a European state, considered as a possible final decision of the "unification" process and conceptualised outside the general ideal type of the process (Castaldi, 2007, p.70). Realism assumes the impossibility of creating a European state because the member states will always maintain their sovereignty (Rosamond, 2000, pp.151-155).

CONCLUSION

The concept of a united Europe was outlined in various utopian ideas and projects before taking shape in concrete political action.

Federalism is defined as a principle of organizing political authority and power which is not necessarily connected to statehood. The creation of a European super-state would not automatically guarantee the creation of a European identity, because the nationalism is still a force and the absence of a European identity means the citizens of the super-state will prefer their nation-state identity.

The federalism theory can be explained as a regional integration theory. Another way of explaining it is to look at federalism theory as complementary to neo-functionalism when trying to explain regional integration. In Riker-McKayian way, federalism theory is able to explain the cases of "big bang" integration (such as Canada, USA, Australia), but not an "organic" integration process. On the other hand, neo-functionalism is not able to explain this relatively fast form of integration, but in its new version it is able to analyze and explain the "organic" or slow integration processes like those happening in Europe, and other places in the world.

Federalist and neo-functionalism both favoured a European federation, but proposed different views about how to establish it. The federalists suggested to elect a European Constituent Assembly to draft a European Constitution to establish the European federation (Spinelli A.,1950; Levi L. and Pistone S., 1973). On the other side, the functionalists considered this impossible at the time, and called for a gradualist course, which starting from economic integration that would lead to political union (slowly, but surely) and without an interruption. This is the classical dichotomy of federalism and neo-functionalism.

The concept of federalism has always been a source of inspiration for European construction. From Robert Schuman till today, there are discussions about the development of a federal form of organization for European Union. Federalism evokes the threat of extreme centralism even though this form of political organization is based on a desire to preserve the autonomy and the diversity of the federated entities.

The *finalité politique* is not the perfect design of a Monnetist technocrat or a Spinellian democrat, but the result of incremental evolution. The connection between national identity and attitudes toward European integration is not fixed, but is constructed in political debate, and that construction is cued by national political parties and national media. In countries where political parties tend to converge on Europe, national identity is more benign for European integration. On the other hand, in countries where political parties diverge, national identity is more strongly associated with Euroskepticism.

As a conclusion I will focus on Mitrany's statement about a fundamental tension between the benefits of integration and the "deep roots of nationality". What he has to say about this is yet more relevant today than when he wrote it in 1966: "We are favored by the need and the habit of material cooperation; we are hampered by the general clinging to political segregation [that is, to national states]. How to reconcile these two trends, both of them natural and both of them active, is the main problem for political invention at this juncture of history".

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ENDNOTES

[i] Elazar in his 1995 article analyses what he sees as a transformation of the international system, away fromstate-centrism towards con-federal arrangements.

[ii] But there are also exceptions: David McKay's important contributions (2001, 2004), as well as a number of articles compiled in Journal of European Public Policy, vol.12, no.3, June 2005 and in the electronic anthology by Christian Joerges, Yves Mény and Joseph H.H. Weiler (eds.), What Kind of Constitution for What Kind of Polity? - Responses to Joschka Fischer. Their common problem is that they are all focused on explaining European integration and not regional integration in general.

[iii] Albertini offers an important contribution to the study of political thoughts by identifying their tripartite structure. Any utopia or ideology needs to identify a characteristic and specific value or social need. Then, it must propose specific institutions which will effectively guarantee that value, i.e. specific political goals. Finally, it must convince people that "now" is the time to mobilise. Therefore, it generally proposes a vision of the historical and social process to suggest that it is possible to successfully mobilise to reach those goals, and that it's time for action, or will soon be. Thus, Albertini distinguishes a value-aspect, a structural or institutional aspect, and an historical-social aspect in all political thoughts.

[iv] If the utopia really identifies a social need caused by the historical evolution, and thus has an impact on its social reality, this probably indicates that there are some important analytical aspects of reality-congruence to be considered.

[v] The term neo-functionalism makes sense only in the academic discourse, where functionalism is used with reference to Mitrany's theory, but on the public and political debate, neo-functionalism is generally called functionalism.

[vi] It manifested itself very clearly already in 1948 at The Hague Congress where this line won the day and brought the creation of an international organization such as the Council of Europe. This organization may be considered as the "false-start" of the European integration process, and it is often not even mentioned in the literature on the subject.

[vii] Jean Monnet placed much emphasis on the role of institutions, and endowed the ECSC with a pre-federal institutional setting, characterised not simply by a Council of Ministers of an intergovernmental nature, but also by a High Authority, seen as the embryo of a future federal government, a parliamentary assembly, and a Court of Justice. This was coherent with the openly stated long-term aim of European federation. Indeed, the parliamentary assembly was weak and non-elected, but the High Authority had significant powers, even if limited to coal and steel.