

Draft

"Democracy, Sovereignty, and Supranationality: Institution-  
Building and European Union in a Neofunctionalist Perspective"

By **Martin Saeter**

Norwegian Institute of International Affairs

In the middle of the 1960s, European integration was in a state of crisis, not least because of governmental - i.e. French - opposition against the proposed expansion of the supranational powers of the Community institutions, which was felt as a threat to national sovereignty. It took two decades to reach - in the framework of the Single European Act (SEA) - a kind of institutional balance between supranational Community competences and procedures on the one hand and formalized intergovernmental guidance of the integration process as a whole on the other. The new dynamic development which the SEA of 1985 gave rise to was, however, soon to make another serious imbalance more acute, this time between the combination of supranational and intergovernmental Community competence on the one hand and demands for more democratic influence and control on the other. This "democratic deficit" imbalance gave rise to broad popular resistance in certain member countries against the ratification of the Maastricht Treaty of 1991, the seemingly logical and important follow-up of the SEA. Now the protest was against what to many people seemed to be a too great increase in the combined strength of governments and supranational Community institutions at the expense of the powers of national parliaments and other democratically elected organs (Williams 1991).

The popular opposition against the Maastricht Treaty, as demonstrated by referenda, opinion polls, parliamentary debates etc. in several European countries, has contributed to directing

increased attention to questions concerning democratic legitimacy in the European process of integration. All the member governments had signed the draft treaty, but its ratification was dependent on acceptance by national parliaments and - in the member states holding referenda - by a majority of the voters. The Danish "no" of 2 June 1992 effectively revealed the weakness of Community structures as regards formal democratic procedure and legitimization. Neither the "supranational" nor the "intergovernmental" institutions are democratically legitimized to decide on what to do to find a way out of such a situation, in which the Community process is up against the ultimate source of national sovereignty: the will of the people as expressed in constitutional terms through a referendum.

The member governments agreed at the Edinburgh meeting in December 1992 on certain modifications that might make it easier for the Danes to accept the treaty, but formally one had to leave it to the Danish people to make the final decision. A repeated "no" on 18 May 1993 might mean that Denmark will have to renounce its membership, not because the country has violated any existing Community rules, but because it is rather unthinkable that one small country would be allowed to stop the whole process of integration. A more serious situation would arise for the Community if also the British were to reject ratification, because an exclusion of Great Britain would dramatically change the whole political balance of forces in the EC.

The democratic difficulties concerning the ratification of the Maastricht Treaty are symptomatic of the more general "democratic deficit" problematique, which was inherent in the Community institutional structure right from the start: In the absence of effective parliamentary influence and control at Community level, the progressive transfer of competence from the national level to the Community means a corresponding decline in the relative power of national parliaments and, consequently, in parliamentary influence on the process of integration totally. Therefore, the higher the level of integration, the politically more significant

will be the democratic deficit problem. In Europe, lack of parliamentary influence and control means lack of democracy. In the context of integration, the national parliaments are not giving up their powers to the European Parliament - whose role is more symbolic than real - but to the Commission and to the representatives of their respective governments at Community level. The legislative organ at Community level is the Council of Ministers, which through its decisions can bind all member countries, even those whose ministers have voted against. In fact, the adoption of the principle of majority voting has changed the character of the Council from being primarily intergovernmental into becoming predominantly supranational. The Council possesses an indirect democratic legitimacy in so far as its members enjoy the support of their respective national parliaments, which in turn are democratically elected. But majority voting tends to make this channel of legitimization ever more illusory. The national parliaments are facing a situation in which their governments - in addition to maintaining their executive powers at national level - increasingly take over as legislators at Community level, there making laws ranking above and partly replacing law given by the national parliaments (Groeben 1987).

It does not make the picture look any brighter from a democratic or parliamentary point of view that at Community level there is no democratically responsible government either. According to the treaties, the Commission has the exclusive right of initiative, functioning at the same time as an executive, administrative, and controlling organ. It is, however, not democratically elected, and it is not responsible either to the legislative organ - the Council - or to the European Parliament (except for the impractical possibility of a no-confidence vote against the Commission as a whole).

Evidently, as long as there is no agreement to establish a federation among the member states, these problems cannot find any satisfactory lasting solutions and are likely to become

increasingly more difficult to handle. Strong arguments have been made for strengthening the powers of the European Parliament. But, beyond some possible marginal modifications, such a strengthening would be bound to further reduce the status and powers of the national parliaments, thus putting into question the maintenance of the member states as sovereign national states. The logical alternative would then be a federation. So far, however, there are no serious indications that the member states are inclined to adopt a strategy of replacing the sovereign national member states by a federal solution. On the contrary, starting with the European Political Cooperation (EPC) in 1970 and followed up by the Single European Act (SEA) of 1985 and the Maastricht Treaty on European Union (EU) in 1991, there has taken place a consistent strengthening of the role of the member states as the supreme legitimizing units. The result is a confederal structure, placing the supranational institutions under the political guidance of the highest political authority of the Community, namely the European Council. In the European Council the heads of state or governments meet as representatives of sovereign national states, drawing up, on the basis of the principle of consensus, the main guidelines for the development of the Community in general. In this way, the European Council acquires the function of pooling the national sovereignties of the member states and, at the same time, of serving as an indirect democratic legitimizer of the common policies that are developed through the legislative process of the Council.

Of course, this confederal structure does not solve the problem of the democratic deficit. The transfer of competence and power from the national level to the Community institutions continues under the confederal roof. The "deparlamentarization" of European politics is thus likely to continue. As seen in perspective, a result of this might be that the very basis for the function of the confederal system itself, i.e. the indirect legitimization by national parliaments of the governmental policies at Community level, would gradually lose its credibility. Being deprived of its effective sovereign power of legislation and control in an

increasing number of vital fields, the national parliaments will necessarily to an ever greater extent be likely to lose their legitimizing role. The voters, when electing their representatives, will increasingly cease to conceive of their respective national parliaments as the supreme holders of national sovereignty. As a consequence of this again, the legitimizing role of governments in the confederal Community structure will also suffer.

It is on this background interesting to register the increased attention being paid by the Maastricht Treaty to the principle of subsidiarity, which defines the Community level as subsidiary to the national one. According to this principle, " ... the Community shall take action ... only if and in so far as the objective of the proposed action cannot be sufficiently achieved by the Member States ..." (Art. 3b). The main objective is evidently to preserve a sufficient basis for the member states also in future to properly fulfil their role as legitimizing units in the integration process. Although doubt may be raised as regards how practicable the principle of subsidiarity will prove to be, the introduction of it into the Maastricht Treaty clearly underlines the intention by the member states to maintain the confederal structure of the Community for the foreseeable future. As regards democratic legitimization at Community level, there seems to be no practicable alternative to the indirect, governmental form, as practiced through the European Council and the Council of Ministers - the latter to the degree it acts unanimously (EIPA 1991; Europe Documents 1992).

Theoretical works dealing with European integration only to a very little extent address the question how the institutional structure at Community level interrelates with formal democratic requirements at national level. The focus has been on, first, the build-up and the functions of supranational institutions at Community level and, second, the relationships between these supranational institutions, on the one hand, and the governments as representatives of the member states, on the other. There has

been much talk about attitudes, expectations, loyalties, centralization of power or authority, elites, interest groups, pluralism, communication, lobbying, etc. However, relatively little theoretical attention has been given to potential implications for democratic legitimacy of different alternative ways of institutionalizing the process of integration.

The neglect by integration theorists of the organizational democratic aspects may to a certain extent be due to the prevailing tradition of regarding the handling of external relations as primarily a governmental prerogative, something which makes it natural also to define the national actors in an international context more or less as black-boxes represented by governments and bureaucratic elites. For the communication theory approach, the democratic deficit problem is rather irrelevant in so far as this approach does not presuppose centralization of power or political amalgamation. The emphasis is here on the shaping of attitudes, expectations, responsiveness, etc. (Deutsch 1954). In contrast, federalist integration theory postulates a reorganization of the existing national democratic institutions and procedures according to the end-state goal of a full federation: when this goal of federation is reached there will be a democratic system of government operating according to established federal principles of representation and division of power (Friedrich 1968). But, conceptually, neither the "constitutional" nor the "incremental" variants of federalism enter deep into the question of how "democracy" is taken care of during the phase of transition toward the federal goal. A constituent assembly, as advocated by the constitutionalists, could of course be thought of as producing a democratically satisfactory institutional solution, but that would be as a one-stroke solution, not as part of a process. Incremental federalism, on the other hand, means in practice the step-by-step introduction of federally organized supranational arrangements, thus having much in common with the third of the main integration theory schools, namely neofunctionalism.

Both incremental federalism and neofunctionalism are primarily occupied with integration as a process implying gradually increased supranationality. There is the theoretically significant difference between them that whereas the former approach in a prescriptive way links integrative steps explicitly to the end-state goal of federation, the latter is, in principle, open-ended as regards goal conception, although the federalist aim might be implicit in the earlier neofunctionalist works, something which will be discussed below.

The course of the integration process in the European Community has since the 1960s increasingly deviated from the federal model in important respects, a trend which is likely to continue for the foreseeable future. In lack of an explicitly federal goal orientation, the democratic deficit problem acquires increased significance politically, because the process itself presses for alternative answers. Theoretically, incremental federalism as an analytic approach is becoming increasingly irrelevant, simply because the most interesting theoretical questions concern exactly how the process of integration deviate from the federal model. If the federal model is no longer particularly fruitful analytically, what should then be defined as the most likely perspective of the EC integration process? What kind of institutional set-up could be imagined as a result of continued integration? What would for instance be the prospects for democratic control and legitimization of the decisions guiding the process?

The aim of the following is to try to highlight some aspects of neofunctionalism that seem to be of particular relevance with regard to the analysis of questions like these. More particularly, it is to see how the analytical potential of the neofunctionalist model developed by Ernst B. Haas in his book Beyond the Nation-State of 1964 could be utilized more properly in exploring the character of European integration. My contention is that if neofunctionalism had been consistently followed-up on the basis of this model, it would have avoided becoming

discredited in the way it did in the 1970s.<sup>1</sup>

Recent Community developments, especially since the adoption of the Single European Act (SEA) and of the Whitebook on the single internal market (SEM) in the middle of the 1980s, has led to a revived interest in neofunctionalist integration theory among American as well as European students of integration. However, on the background of the comprehensive character which the European integration process has acquired, I find the attempts made at renewing the theoretical debate disappointingly limited in scope. Instead of trying to include the many new and important aspects of European integration into a more general theoretical assessment of the process as a whole, the new debate tends to do the opposite by focusing almost exclusively on the alleged dichotomy between neofunctional supranationalism linked to supranational institutions and functional spillover, on the one hand, and intergovernmentalism based on national sovereignty and intergovernmental bargaining, on the other. Neofunctionalism is regarded as mainly building on spillover and belonging exclusively to the supranational side. Intergovernmentalism is seen as lying outside the domain of integration. Andrew Moravcsik, for example, finding that "intergovernmental bargains" and "intergovernmental institutionalism" more than "supranational institutionalism" contribute to explaining the SEA dynamics, concludes from this that some of the main claims of neofunctionalism - those connected with international institutions and transnational interest groups - are disproven (1991: 75). But is it necessarily so that intergovernmental bargains and the activities of intergovernmental Community institutions fall outside the scope of neofunctionalism? Likewise, when Keohane and Hoffmann conclude their analysis of recent EC developments by stating that "successful spillover requires prior programmatic agreement among governments,

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<sup>1</sup>A special reason why I undertake this task is that I myself profited very much from using E.B. Haas' actor-oriented systemic conceptualization in my own doctoral work on European integration (Saeter 1971) as well as in more recent works (e.g. 1977, 1991, 1992).



expressed in an intergovernmental bargain" (1991:17), they see in this a contradiction of the "core ideas" of functionalists as well as federalists, who "envisaged a transfer of powers to institutions whose authority would not derive from the governments of the member states, and a transfer of political loyalty to the center" (12).

Conclusions and arguments like these would have been more understandable if the objective of the study were to prove or disprove certain theses forwarded by Ernst B. Haas in his groundbreaking and much-cited first book on neofunctionalism and European integration, namely The Uniting of Europe of 1958. There the concepts of functional or automatic spillover and of transfer of loyalty from the citizens to supranational institutions are accorded central significance. If, in contrast, the aim is to find out how well suited neofunctionalism is as an analytical tool for describing, explaining and predicting European integration today, then this preoccupation with Haas' work of 1958 becomes less interesting.

First, it is rather self-evident that neofunctionalism defined narrowly in terms of supranational institutions and spillover cannot possibly be applied in a particular fruitful way on an integration process as comprehensive as that in Europe of today, comprising in principle all areas of member state politics.

Second, theoretical models for studying European integration today are of limited value as long as they conceptually and analytically avoid linking the institutionalized democratic processes at national level with the "functional" institutional mechanisms at supranational level. Studying "domestic" sources of the actors' policies is not enough.

And third, if one wants to test the analytical power of Haas' neofunctionalism on European integration of today, then one ought at least to do justice to this distinguished scholar by choosing his most advanced model as the point of departure. Could it be

that theorists for some reason or other have just failed to make proper use of already existing neofunctionalist theory? I tend to think that this is often the case.

Haas' theoretically most advanced scientific work on neofunctionalism is to my best judgement not that of 1958 but his 1964 book, Beyond the Nation-State. Functionalism and International Organization. There he undertakes - partly on the basis of lessons learnt from European developments in the early 1960s - a fundamental revision not only of "classical" functionalism of the Mitrany type but also of the theses he himself had presented in 1958. He applies this revised neofunctionalist model in a comprehensive case study on the International Labour Organization. As we will return to below, this new model is actor-oriented in the sense of focusing primarily on the interests and behaviour of governments. It is strictly analytical, non-deterministic, and open-ended as regards goal conception.

Although authors like Keohane and Hoffmann, and Moravcsik, occasionally refer to Beyond the Nation-State, they seem almost completely to ignore the essence of the revisions undertaken there by Haas. To their excuse, it should at once be added that Haas himself has contributed strongly to this state of affairs by his own avoidance of applying his 1964 model to European integration. Astonishingly enough, in his reevaluation in 1967 of neofunctionalism and European integration, he returns to his 1958 model and, ignoring his 1964 revisions, arrives at the conclusion that functional integration did not succeed in Europe because the process "was disturbed by de Gaulle" (1967:328). As we shall see, such a conclusion would have been impossible to draw on the basis of the "neutral" 1964 model, in which every actor is supposed to act according to self-interest only. The fact that Haas in his showdown with de Gaulle found it opportune to return to his 1958 theses indicates that there was a strong normative element in his reasoning on this point: he simply did not like the content and orientation of French European policy,

probably because it too strongly challenged the existing Atlantic security structures. He denounced de Gaulle's "dramatic-political" style as nationalistic and anti-functional and as conflicting with the "inherent logic of the functional process" (327). In contrast to men like Schuman, Adenauer, de Gasperi etc., who "had simply decided to leave the game of high politics and devote themselves to the building of Europe" functionally (323), de Gaulle wanted "to use the Common Market and the EEC apparatus in a larger game of welding Europe together under a French political umbrella". His aim was a "confederation" and "a common foreign and defence policy for Europe" (326).

As we know, after several years of stalemate, there was kind of a new deal in Community developments at the Hague summit in December 1969, which at the same time meant a break-through for French demands for political coordination at the level of governments. Clearly, given its intergovernmental and increasingly confederal character, the EPC can be seen as a forerunner of the SEA and, further, of the Maastricht Treaty on European Union. One must assume, I think, that Haas himself foresaw such a development of the EC, when he in 1970 wrote his "farewell" to neofunctionalism. This was not the kind of Europe he wanted. He now explicitly declared himself to have a normative view on integration, seeing the existence of a security community to be a minimum precondition for integration, the study of which concerns "how and why states cease to be wholly sovereign, how and why they voluntarily mingle, merge and mix with their neighbors so as to lose the factual attributes of sovereignty while acquiring new techniques for resolving conflicts among themselves" (1970:6). Regional unions might not always further such a development, because "regional integration may lead to a future world made up of fewer and fewer units, each a unit with all the power and will to self-assertion that we associate with classical nationalism. The future, then, may be such as to force us to equate peace with nonintegration and associate the likelihood of major war with successful regional integration" (41).

These are very strong normative statements, indeed. Taken together with his 1967 reassessment, I think they sufficiently explain why Haas - in a kind of frustration over the way in which European integration developed - left neofunctionalism and instead devoted himself to theorizing about problems of interdependence and regimes. Nobody should criticize him for this. It is a pity, however, that exactly because of Haas' position and reputation as the most prominent scholar in the field of neofunctionalist integration theory, a consequence of his negative verdict on neofunctionalism was probably that also many other well-reputed students of European integration felt discouraged from further exploring this theoretical approach. Throughout the 1960s, the dominance of American scholars in the field of integration theory had been almost complete. Among those who had contributed strongly to neofunctionalism one could, in addition to Haas, mention Lindberg, Scheingold, Schmitter, Nye, Puchala, and many others. However, the autumn 1970 issue of International Organization on regional integration, also publicized as a book (Lindberg/Scheingold 1971), stood forth as a programmatic switch of the main focus of theory and research from regional integration to global interdependence and, later, to regime studies. This coincided with a similar change in the general thrust of American foreign policy. Only in the late 1980s, in connection with the great changes taking place in Europe as a whole, American scholars seemed to "rediscover" European integration, evidently being a bit surprised at what they found.

It is regrettable that, when scholars in the late 1980s anew took an interest in neofunctionalism, they started out from where this approach had been left in 1970, in a state of misery, and not from what in my opinion was its theoretically most promising contribution, namely Haas' Beyond the Nation-State model of 1964. In the following I will try to show why it is that this model - in contrast to neofunctionalist theses most frequently referred to - has lost nothing of its relevance. On the contrary, it is probably the model that still has the biggest potential in it to

adequately serve as a tool for describing, explaining and predicting the development of European integration. Its actor-orientedness - i.e its focus on governments as the main actors - makes it particularly fruitful in analyzing the problems connected with the relationships between the different levels of integration politics: between the intergovernmental/confederal and the supranational, between the supranational and the national, between the governmental and the national parliamentary level, etc. And because the governmental actors, according to the confederal superstructure, also in future are likely to remain the main providers of democratic political legitimacy at Community level, it follows from this that an actor-oriented model of this kind is indispensable also when the task is to analyse problems connected with the channeling of democratic legitimacy from the national parliaments and citizens to the Community level.

One of the tasks Haas set himself in Beyond the Nation-State was to answer the question: "How can the normal aims and expectations of nations be related to a process of growing mutual deference and institutional mingling?" (p.vii). Although the focus is on the International Labour Organization, he makes in this context no qualitative distinction between regional and global integration. He conceives of integration as referring, not to a certain condition or goal, but "exclusively to a process that links a given concrete international system with a dimly discernable future concrete system" .... "increasing the interaction and mingling ..." (29).

The character of such a process as well as its outcome is in his opinion totally dependent on the interest perceptions of actors:

We banish from our construct the notion that individual actors, groups, or elites regularly and predictably engage in political pursuits for unselfish reasons. All political action is purposively linked with individual or group perceptions of interest. .... We further reject the notion of conscience, good will, dedication to the common good, or subservience to a socially manipulated consensus on welfare questions, as possessing little consistent reality in living politics. Cooperation among groups is thus the

result of convergence of separate perceptions of interest and not a surrender to the myth of the common good (34).

He defines the concept of interest very broadly as "encompassing every kind of group-backed demand that enters the market-place of political competition" (34).

Both on interests generally and, more specifically, on the "separability proposition", Haas distanced himself strongly from the classical functionalists, who maintained that politics and welfare could be separated. To Haas, welfare is also politics and has consequently to be included in the concept of actor interest in the context of intergovernmental interaction.

Indeed, commitment to welfare activities arises only within the confines of purely political decisions, which are made largely on the basis of power considerations. Specific functional contexts cannot be separated from general concerns. Overall economic decisions must be made before any one functional sector can be expected to show the kind of integrative evolution that the Functionalist describes. Lessons learned in one functional context cannot be expected to be readily transferred to new contexts; success in one functional sphere does not set up a corresponding motion in other spheres: on the contrary: it may fail to develop and be forgotten. The distinction between the political and the technical, between the politician and the expert, simply does not hold because issues were made technical by a prior political decision (23).

The above quotations from Haas' book Beyond the Nation-State already indicate conclusions also on certain other points of high relevance to the present discussion on neofunctionalism and European integration.

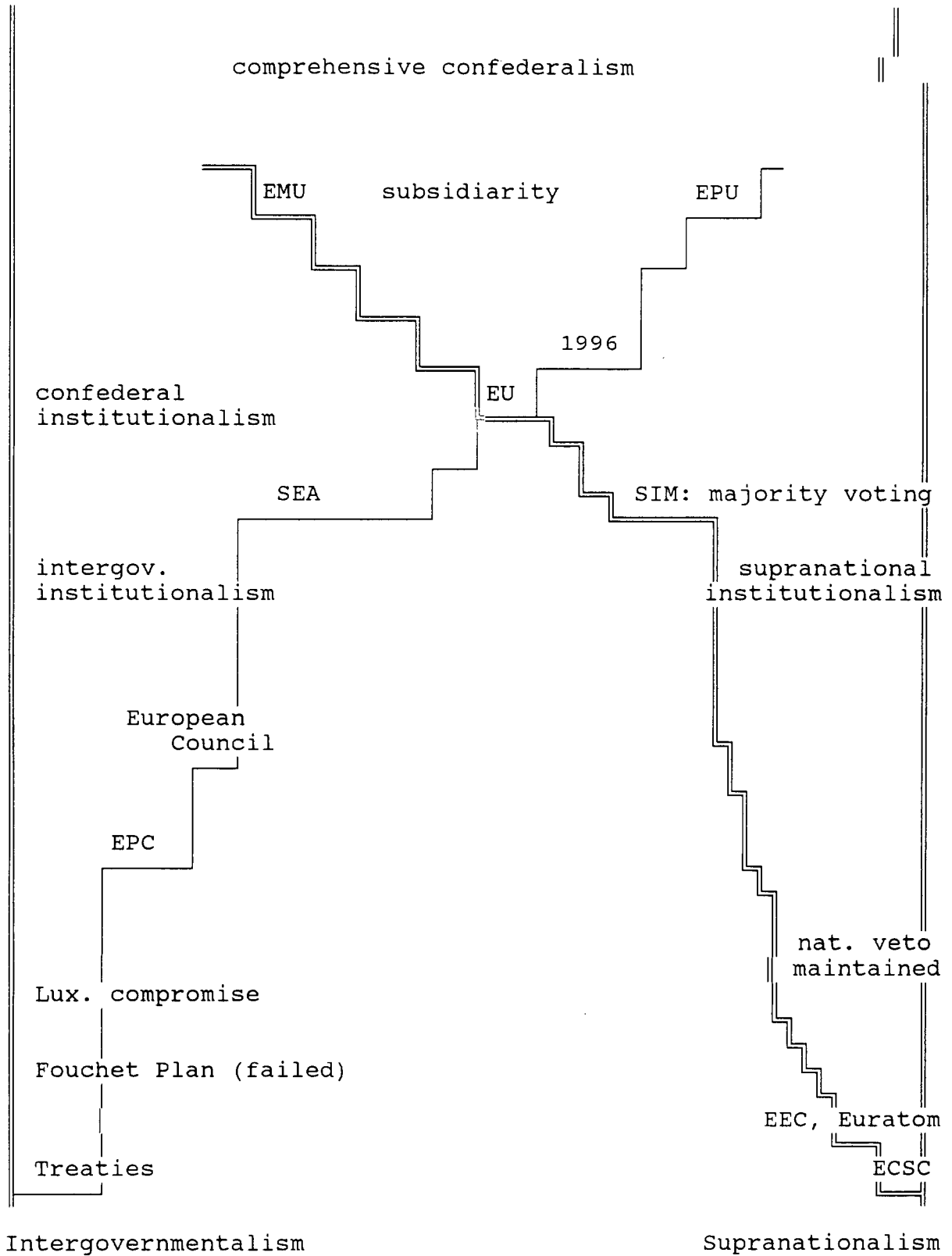
First, there is nothing in Haas' new model that justifies a treatment of intergovernmentalism and supranationalism as dichotomies. Understandably enough, supranationality does not occupy any central position in Haas' study of ILO, although he also at the global level finds "there will be a continued drift toward supranationality" (492). Closest to a definition he comes when speaking of supranationality as something established by sovereign governments on the basis of some "organizational compromise" encompassing the "delegation of authority to new

central institutions". The character of this "organizational compromise" depends on "the type of demands that are made, the variety of concessions that are exchanged, and the degree of delegation of authority".

Thus viewed, integration is conceptualized as resulting from an institutionalized pattern of interest policies, played out within existing international organizations (35).

Applied to European integration, such a conceptualization would suggest that intergovernmentalism and supranationalism are to be seen as closely interwoven and parallel aspects of the process. Supranationality is authority delegated by the governmental actors to central institutions as part of the institutional framework established through intergovernmental compromises balancing demands and concessions. Intergovernmental treaties drew up the basic frameworks for the three Communities, where intergovernmentalism and supranationalism co-existed in a treaty-based and balanced relationship between, on the one hand, the Council of Ministers - upholding the right of national veto - and on the other the supranational Commission, supported symbolically by the European Parliament. The French-inspired Fouchet Plan of 1961 for a political union through strengthened intergovernmentalism failed to be accepted by the other five. A crisis broke out in 1965 on the issue of majority voting in the Council which - if implemented - would have made the Council into a really supranational legislative organ, thus fundamentally reducing the role of intergovernmentalism in the process. De Gaulle's minimum precondition for continued French participation was the maintenance of the right of veto. And the acceptance of this demand implicit in the so-called Luxembourg compromise of 1966 contributed to restoring a kind of balance.

The establishment in 1970 of the EPC meant in practice a strengthening of intergovernmentalism - although it took place outside the formal treaty framework. However, on the basis of the SEA of 1985 - and later the Maastricht Treaty - the intergovernmental-supranational relationship was given a single



**Figure 1:** Intergovernmentalism and supranationalism in the EC process



and coherent structure, defining the balance in institutional terms: the intergovernmental/confederal European Council was to be regarded as the highest political authority of the Union as a whole, giving guidance and legitimacy to the activities of the supranational institutions, whose powers were supposed to be continuously expanded according to the principles and aims defined by the European Council. In other words, supranationalism in the Union will continue to be politically subordinated to the joint, confederal, leadership of governments. How this "balance" is to work in future has to be decided on the basis of the adopted principle of subsidiarity.

Second, the relevance of spillover is scaled down considerably as compared to the Uniting of Europe model. Haas sees no longer any automaticity in such a process of integration. Whether there will be progress towards a higher level of integration depends ultimately upon how the actors view their own interests and interact in the context of integration - which does not preclude that there might be unintended consequences of their interaction, too. Spillover results in "task expansion", and a spillover effect occurs when

policies made in carrying out an initial task and grant of power can be made real only if the task itself is expanded, as reflected in the compromises among the states interested in the task" (111).

This may result in a kind of interaction that produces interest redefinition and interest convergence, giving rise to "integration based on the unwilled, or imperfectly willed, separate demands and claims that enter the arena" (35).

In contrast to what was the case in The Uniting of Europe, the concept of spillover is in Beyond the Nation-State defined by Haas in terms of the interests of actors, who are primarily governments. Even "unintended" consequences of steps taken will enter into actor interest considerations at a later stage (feedback), potentially influencing on subsequent steps. Consequently, there is no reason to distinguish between "functional" areas of spillover on the one hand and "political" areas on the other.

What Haas here says about spillover leads over to what makes up the theoretically most central and significant part of his new analytical model. "Spillover" at the concrete organizational level becomes "functions" at the abstract systemic level. His "functional integration system" is an analytical device, a tool the observer uses for studying "integration in the sense of movement toward a more universal type of system" (79). Such kind of analysis requires a method for evaluating whether "outputs" from the interaction among participating actors lead in such a direction or not. On the basis of the empirical analytical findings, the observer can distinguish between "functions" and "dysfunctions". These terms are explicitly related to the "purposes" of the actors, i.e. "the action pattern consciously willed" by them, but need not be identical, because the results of the interaction "may bring with them unintended consequences" (81). Dependent on the kind of "learning" experienced by the actors, the results may be either "functional" - i.e. "creative in the sense that it enhances the original purposes of the actors, which implies integration - or "dysfunctional", forcing "a re-examination of purposes among the actors such as to involve disintegration" (81).

According to Haas, only a systemic conceptualization is able to adequately take into account the complexity of the relationships between the actors, avoiding "the risk of assuming unidimensionality" (82). The integration policies of the actors are at the same time parts of a much more comprehensive interaction of interest policies. Haas defines "system" in this context as

the network of relationships among relationships; not merely the relations among nations, but the relations of the abstractions that can be used to summarize the relations among nations; .... these relationships are economic, military, humanitarian, and territorial (53).

The system is concrete and actor-oriented in the sense that its mechanisms are explicitly connected with the empirically observable interests, motives, purposes, demands, concessions, etc. of the actors involved. The "strategic" importance of actor

demands in the systemic context depends in the first place on the perceptions of the actors themselves.

They, not merely the observer, make claims and counterclaims concerning military security, economic development, human rights, decolonialization, and stable trade patterns. These are our strategic policy demands because, in our period of history, governments consider them so (83).

In this way, "the motives and purposes imputed to the actors are derived by studying words and actions, verbal pronouncements and demands as well as concrete steps taken, resolutions voted, and treaties ratified" (83). The structures of the system are also empirically definable, in terms of "its body of law, its organizations" (77). Further,

The mechanisms through which purposes and functions must be fulfilled are the central institutional structures of national and international bureaucracies. Chief of these are the division of labor among discrete units and the delegation of power to expert bodies entrusted with the implementation of purposes (84).

Haas' systemic conceptualization seems so far equally applicable to both global and regional integration. A point on which some difficulty arises as regards regional integration is the question of how to define the environment of the system. In Haas' systemic model, the actors have their respective "national" environments, which are supposed to include all relevant factors determining the behaviour of the actors.

The environment consists of the beliefs, institutions, goals, and capacities of the actors. .... Governmental policies emanating from the environment are the inputs into the system; collective decisions are the outputs. The outputs, then, may transform the system by being fed back into it (77).

The system itself, however, has no defined environment. In the global ILO context, this is unproblematic in so far as every input into the system is seen as coming through the actors. Clearly outdated, however, at least if applied to a regional integration system, is Haas' statement that

Since in the past and present concrete systems international organizations have had little independent capacity, they do not contribute - as yet - to the

environment (77).

In a regional context like Europe, the impact of the integrating system on the environment of national actors is considerable and is rapidly increasing. Furthermore, in the context of regional integration there is an environment external to the integrating system as such and distinct from the environments of the separate actors, which needs to be given theoretical consideration. Apparently, this does not require any fundamental change of the model, just an additional elaboration of the concept of environment, making a distinction between the external and the internal aspects of environment. Both aspects are relevant as they comprise factors influencing actor behaviour. As long as the Community consists of sovereign states, it will be the national actors that ultimately carry the responsibility also for external relations. But the fact that actor capacity is increasingly delegated to the system, i.e. to the Community level, this means that it will increasingly also be a Community task - on the basis of so-called "exclusive" competence or even majority voting - to react to impulses from the environment.

A more thorough revision of Haas' model would undoubtedly be needed if the Community should be regarded as an independent actor replacing the national actors. This would probably require a quite different systemic conceptualization. The question is, of course, if regional integration developments in Europe or elsewhere make such a revision recommendable. The answer has already been indicated: As long as the national member states retain their sovereign status - as expressed in the confederal institutional structure - this means that the Community can not be regarded as an independent actor. It is therefore not too misleading to define it as belonging to the structures of the system, in line with Haas' conceptualization. Theoretically, therefore, the law and institutions of the Community can still be regarded as making up parts of the structure of the integrating system. The essence of the principle of subsidiarity is exactly that all Community policies shall be seen as primarily

emanating from the member nations.

"Environment" in this way becomes of crucial importance with regard to the questions posed above relating to the conditions of democracy in the context of regional integration. According to Haas' conceptualization of the integrating system as concrete and actor-oriented, the role of the actor is defined partly in abstract systemic and partly in concrete governmental terms. The actor concept explicitly links the abstract systemic level both with the concrete "flesh-and-blood" level of international organization (i.e. the community) and with the concrete national governmental level, which again is linked up with the concrete environmental factors impacting of the actor's behaviour.

Haas deals thoroughly and extensively with the always existing "tension between organizational imperatives and environmental realities" (101), discussing preconditions for task expansion at organizational (community) level as well as at national level. But because he - for reasons mentioned above - does not distinguish between the environment of the organization (community) and the environment of the actors, his model does not specifically cover the relationships between the concrete national level and the concrete regional level. Consequently, the specific democracy-related relationships of current interest, especially the institutional and constitutional ones like those connected with the so-called "democratic deficit", have no defined place in the model, as it now stands.

In principle and generally, however, Haas' analytical model includes any question of this kind. In a section titled "The dominance of the environment" (97-103), he deals with "the variety of demands that governments press upon their international organizations" stating among other things that "Dependence on the nature of the national system-making demands ... is a constraining feature of some weight. Moreover, the prevailing group structure of nations is a crucial and unstable environmental factor" (97).

To make it short, I think one can conclude that Haas' model, in spite of a certain lack of elaboration on this point, can be fruitfully applied in analysing also the problems related to democratic procedure, representation, legitimization, etc., at national as well as at international community level. The theoretical linkages are already established in principle, although they perhaps ought to be more explicitly spelled out. Empirical analysis is according to Haas what is needed to find out how the environmental constraints influence on the input/output/feedback mechanisms of the system. The important thing to keep in mind is that, analytically, the focus must be on the actors - i.e. the governments - as channelizers of factors of system transformation both at community level and at national level.

How can then Haas' Beyond the Nation-State system model be used to analyse system transformation at the concrete level? Starting out from his definition of the system as

a concrete, actor-oriented abstraction on current relationships that can explain its own transformation into a new set of relationships, i.e. into a new system (77),

the first steps to be taken are, according to Haas, to identify the actors, sketch in the environments, and then specify the relationships. This can be done only on the basis of empirical analysis. This may seem easy if the "system" can be defined in terms of an already existing concrete organization consisting of a given group of members, i.e. actors, and having a more or less clearly defined goal. Theoretically, this would not appear very challenging. And this is not the kind of system transformation Haas had in mind either. His system is an "abstraction" on relationships, not a concrete organization, and the system as such has, as mentioned above, no defined goal, no telos, other than that implied in a movement towards "a more universal type of system".

The application of Haas' model on regional integration requires a further elaboration of it as regards both the identification of relevant actors and the question of what should be the goal

conception. Sticking to Europe, the analyst cannot just list the current members of a given organization - eg. the ECSC or the EEC - at a given point of time, then defining them as the actors and positing some more "universal" type of organization as the goal according to which "functions" or "dysfunctions" have to be ascertained.

Haas himself gives little guidance on these points. In my view, he goes too far in the direction of separating the systemic, i.e. analytical, goal conception from the observable and concrete integrative goal-directed demands by the actors. Defining the goal conception as a "movement toward a more universal type of system" is of little help as long as there are several competing actors pursuing divergent and partly incompatible integrative goals, and as long as what can be deemed "functional" according to one actor strategy might be "dysfunctional" according to another - even if all of the involved actors can be said to aim at a more "universal" type of system.

In such a setting, there is no other way for the neofunctionalist analyst than to seek to identify relevant goal conceptions through the eyes of the actors, i.e. on the basis of integration strategies pursued. This means more or less leaving it to the actors themselves to decide what is "functional" or "dysfunctional": each actor evaluates the outputs of the system according to his own specific interests. The observer's task will be to sort out which strategies make up real alternatives as regards long-term goal conceptions; to look for convergences and possible redefinitions of interests and strategies; to evaluate trends. etc. He must be willing to operate with several potentially relevant dependent variables as long as there are rivalling strategies pursuing diverging goals. Only on the basis of continued interaction can he then hope to be able - by way of eliminating those alternatives which in practice prove themselves to be unrealistic - to arrive at a single dependent variable.

The above discussion of the question of goal conception or telos, i.e. the dependent variable(s), might look as a break with Haas' own reasoning on this point. In his IO article of 1970, he criticizes neofunctionalism for lack of clarity as regards the dependent variable, then trying to make up for this by proposing three possible, or "multiple", dependent variables ("regional state", "regional commune", and "asymmetrical regional overlap"). These are "illustrations of possible temporary results" of integration, having in common that they are "heuristic in the sense that they have no real-life counterparts" (1970:30). Also in his 1964 model he seems like wanting to reserve for the researcher the exclusive right to decide what should be the content of the dependent variable - i.e. a higher degree of universality - and, consequently, what is "functional" according to this variable. If integration consisted in the realization of actor purposes, then functional analysis would more or less have lost its relevance:

When the purposes imputed to the actors include the desire for social transformation leading to system-dominance, i.e. integration, it is unnecessary to introduce the concept of function; in that case, the overt purposes of the actors are linked to the integrative process. But when this is not the case, functions are those consequences of actions noted by the observer that tend toward the integration of the system (83).

I have no difficulty in accepting the reason given by Haas for this distinction between the realization of actor purposes on one hand and functions of the system on the other, namely to avoid teleological or ideological bias. But in real world the character of political communities established through integration among states - i.e. the dependent variable - cannot be decided by researchers. It can at best be described, explained and, to a certain extent only, predicted on the basis of the observed behaviour of the actors involved. And I think it would be quite consistent with Haas' actor-oriented systemic conceptualization to define the dependent variable in terms of integrative actor goals, not in terms of the goals of one specific actor, but in terms of possible outcomes of the interaction among actors



holding different and partly conflicting integrative goals.

In fact, in Beyond the Nation-State Haas comes very close to associating "function" with the single involved actor's perception of which kind of output/feedback most adequately serves his own interest in the context of integration:

Since all functions are understood eventually by the actors, the unintended consequences of their purposes are 'learned'. Therefore, any function becomes a new purpose at a different systemic level of integration. We must merely distinguish between learning conducive to integration and learning that seeks to block the process. The difference is largely one of perceptions among the actors about which kind of response most nearly approximates the initial purpose (84).

On this basis, it seems reasonable to conclude that what is to be regarded as "functional" or not in a given integrational setting might differ dependent on which integration strategy or strategies the researcher chooses as the point of reference. For there might be several strategies which are aimed at a higher degree of "universality", but which are mutually more or less incompatible due to divergent actor interests.

The first part of the task of the observer should therefore be to describe the purposes of the actors in integrational terms and then on this basis seek to find out what would be "functional" or "dysfunctional" outputs/feedbacks according to the respective actors' perceptions of their self-interests. Because the interests of the actors diverge, what is functional to one actor might be dysfunctional to another. A precondition for integration is therefore interest redefinition and convergence of strategies.

The second part of the observer's task would consequently consist in analysing the integrative potential of the strategies pursued by relevant actors as well as the interaction among these actors in their attempts at furthering their own interest by way of integration. At every stage, there will supposedly be unintended as well as intended results, potentially influencing on the

actors' purposes at a subsequent stage. There should be no reason for the observer to get biased in the sense of associating himself with one or other specific actor goal or actor strategy. His task is not to decide what should be but to find out what is the character of the process as defined in terms of integration.

This kind of "multiple dependent variable" analysis differs rather strongly from that suggested by Haas in his 1970 article (30). It is however, as far as I can see, just a logical follow-up on his actor-oriented 1964 model. Above all, it makes neofunctionalism more applicable on European integration, both historically and at the present stage.

In order to illustrate how in my opinion such a reinterpreted version of Haas' actor-oriented model can be fruitfully applied in the study of European integration, I will in the following comment just very briefly on the accompanying figures.

Figure 2 shows what I find to be four main alternative categories of integration strategy in the context of European integration, all closely connected with different and partly conflicting actor interests and goals. These categories have been defined in neofunctionalist terms, specified according to organizational form (confederal/federal) and functional scope (sector/comprehensive). This gives the four strategy combinations shown by the figure, strategies which in Haas' terms very well can be described as "relationships among relationship", i.e. "abstractions that can be used to summarize the relations among nations", or simply as a multiple dependent variable.

Figure 3 tries to sketch the historical interaction among these strategies as well as their gradual convergence. The basis for the identification of the relevant actors is their actual significance for the integration process as such, not organizational membership. However, the European Community increasingly makes up the central part of the system's structure.

|               | CONFEDERAL | FEDERAL |
|---------------|------------|---------|
| SECTOR        | 1          | 2       |
| COMPREHENSIVE | 3          | 4       |

**Figure 2:** Empirically established, actor-oriented, multiple dependent variable

1. SECTOR-CONFEDERALISM: intergovernmental leadership; right of veto; delimited economic sectors; foreign and security policy excluded (British EC strategy).

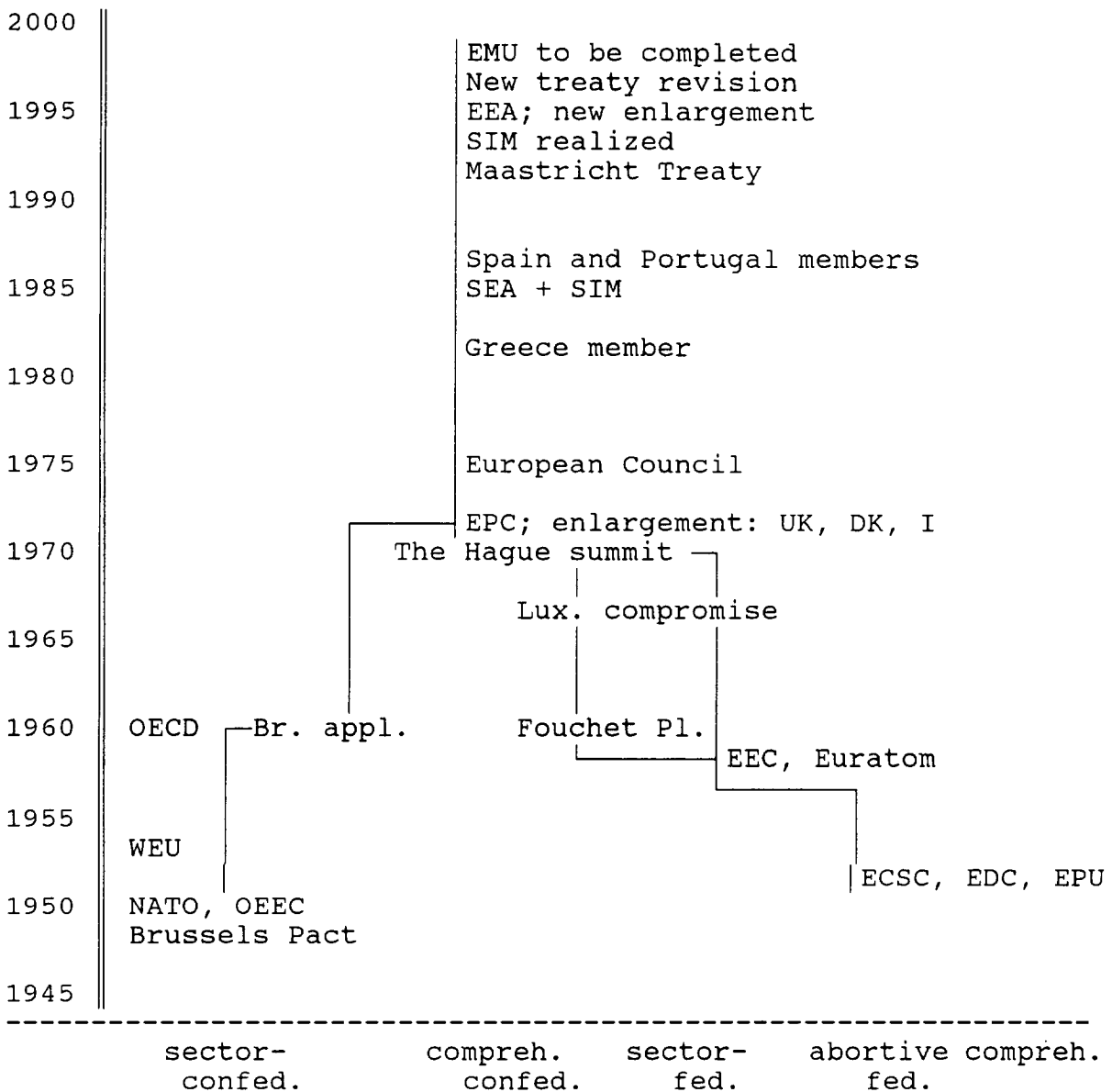
2. SECTOR-FEDERALISM: supranational decisionmaking by majority voting in an increasing number of sectors; foreign and security policy excluded until eventually a federation is established (the strategy followed by the Five and the Commission in the 1960s).

3. COMPREHENSIVE CONFEDERALISM: institutionalized intergovernmental leadership comprising also foreign and security policy; no sectors excluded (French strategy, leading by way of compromise to EPC, SEA and Maastricht Treaty).

4. COMPREHENSIVE FEDERALISM: supranational decision-making also in the fields of vital interests; no sectors excluded (abortive attempts in the early 1950s; a potential future successor to comprehensive confederalism).

Given the division of Europe, Great Britain wanted to consolidate the western part of it by coordinating governmental policies in close contact with the US, using NATO as the main framework and accepting transfer of authority to regional European community institutions in specific economic sectors only. British integration policy can therefore be categorized as sector-confederal. French integration policy was aimed both at restoring French great power status strengthening the regional foundation for French leadership and at including the German economic and military potential in a politically integrated community. The

ambitious French proposals of the early fifties (ECSC, EDC, EPU) could be said to be of a comprehensive federal kind, leaving in principle no sector out and building on strong central and supranational institutions. The failure of the EDC resulted in the more modest Rome Treaty approach of 1957, leaving foreign and security policy out but sticking to supranationalism, resulting thus in what can be called sector-federalism, which in the 1960s



**Figure 3:** Interaction - interest redefinition - convergence of strategies

was supported by both the US, the "Five" and the Commission. De Gaulle, however, fearing the supranational EC process to be a threat to national sovereignty as long as the Community did not have its own "independent" foreign and security policy but, on the contrary, was still subordinated to American leadership, demanded a policy coordination at governmental level as a precondition for accepting majority voting. This French-inspired comprehensive confederalism conflicted with both sector-federalism and sector-confederalism, causing serious crises at several stages. The interaction process continued, however, and led over the years to "institutional compromises" gradually adopting comprehensive confederalism as a common approach. Decisive steps in this direction were the Luxembourg compromise of 1966, the EPC of 1970, the SEA of 1985, and the Maastricht Treaty of 1991.

In principle, all sectors are now formally included in the process. The actors maintain their formal sovereignty, legitimizing continued integration through decision taken unanimously in the European Council. Integration is taking place along two tracks: on the one hand through the pooling of sovereignties by formulating a common policy at the intergovernmental/confederal level; on the other hand through the transfer of competence to the supranational Community institutions acting according to competences laid down in the treaties as well as on instructions from the European Council. Both tracks are actor-oriented and interest-related. There are no other supranational competences than those delegated by the governments; and continued delegation depends on decisions taken by the actors. Through the SEA the intergovernmental/confederal and the supranational levels became inseparably interlinked. That means that supranationalism cannot be seen in isolation from the level of governments; and the intergovernmental Community activities must be regarded as closely related to the supranational mechanisms. This interlinkage is symbolised by the presence of the Commission in the European Council. For how long the transfer of competence from the national to the supranational

level can continue without making formal national sovereignty illusory, thereby eventually depriving the confederal structure of its credibility, will to a large degree depend upon how effectively the principle of subsidiarity can be practiced. It is clear, however, that the more powers the governments agree to transfer to the central institutions, the more pressing will be the need to accommodate the structures of the system to the "democratic" demands emanating from the environments of the actors.

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