

# Sociological institutionalism arguments in explaining EU integration

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## Abstract

Ever since the beginning of the integration process in Europe, at the beginning of the 1950s, a series of theories were elaborated and used in the attempt to explain the evolution of the European construction. Among them, the sociological institutionalism theory brings together arguments derived from economic, social, political and institutional studies aiming to create a framework suitable for highlighting the causes and effects associated with European integration. The aim of this paper is to examine the ways in which the arguments used by the theoreticians of sociological institutionalism have the ability to create a comprehensive analysis of the evolution from the initial founding of the European communities to the European Union construction in the current shape.

**Keywords:** *sociological institutionalism; integration; European Union; theory.*

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## 1. Theoretical approaches of European integration

The evolution of the European Union as a unique actor on the international arena represents the object of study for several fields of science. The attempts to understand the nature of the integration processes involved and to conceptualize efficient theoretical frameworks designed to explain these processes has resulted in several theoretic bodies using different types of approaches and arguments. The explanations provided and the predictions resulting from these attempts require the use of several concepts in order to better organize the acquired knowledge. The theories provide these concepts and notions regarding the dynamic of the relations that occur. The aim of an efficient theory is not only to ensure a better understanding of the evolution of certain events, but also to develop the ability to predict the further evolution of certain events. Political and social sciences have developed specific sets of discourse elements in the studies regarding European integration. Some of these, such as the classic neo-functional theory, developed in the 1950s-1960s, were focused on providing explanations, while the literature dedicated to international integration was also very much concerned with issues regarding the probability and pattern of future possible evolutions. Most of the specialists engaged in study of integration seem to have regarded this process as a desirable course of action, regardless of the explicit or implicit manner in which they referred to it. Generally speaking, European integration is an evolutionary process invested with the ability to produce peace, security, and material benefits for all the entities involved.

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The role of the theories regarding European integration resides in the fact that the highest educational role that the theory of integration can serve is understanding the conditions of human association in a wider political system, the forces that model the magnitude and depth of its evolution, as well as the possibilities to improve the quality of the debate with reflexive questions such as “where are we now, where did we come from and where could we go?” (Chrysochoou 2009: p. 3).

In fact, integration theories fulfil a wide series of functions, aiming at explaining, describing or evaluating the process of European integration, or, in some cases, prescribe future pattern of behavior or serve as an orientation tool in conducting European affairs.

Therefore, the concept of “European integration theory” means the entire range of studies and information regarding the process of European Union construction, including the historical, economic, political, social and judicial themes, often defined as “European studies”. The theories of European integration are only a sector of this field of study. They are, basically, a set of logical and scientific arguments explaining the process of European integration, analyzed through the lenses of various theoretical families that also serve at explaining the functioning of the international system.

As it evolved at various speeds throughout the years, the building of the European Communities, and, later on, the European Union, can be explained using different perspectives, ranging from the deeper federative cooperation to the sovereignty-oriented inter-governmental theories. However, the events and steps taken remain the same, regardless of the theory used to explain them. A general overlook on the history of European integration reveals a continuous and steady process, adaptable to the challenges and changes in the international context, aimed and successful at bringing peace and prosperity in the European space. Regarding the dynamic of European construction, we can distinguish five integration levels: first, the *free trade area* was created: the free circulation of products, regardless of the quantity, without any customs control, was established. Secondly, the *customs union* was created, meaning that the customs taxes between member states were eliminated, doubled by a common commercial policy that includes using common foreign trade towards third countries customs taxes. The third level was represented by the *Single European Market*, founded on the four fundamental freedoms: the free circulation of persons, the free circulation of products, the free circulation of services and the free circulation of capitals.

The fourth level of European integration is represented by the creation of the *economic and currency union*, based on three fundamental principles: the common currency, a common monetary policy and the coordination of national economic policies. The aim of creating this union was, and still is, the accomplishment of the common market by removing the uncertainties and costs involved by the international transactions that require the exchange of different national currencies. Furthermore, prices and costs throughout the entire Eurozone became similar, the degree of integration through the common market was increased, by accelerating the integration of the financial market, increased stability in the Eurozone was achieved, resulting in the increased competing potential in the European space.

The fifth level of integration is still an ongoing process, represented by the creation of *the political union*. This is often regarded as a federative model of integration, resulting in the creation of the “United States of Europe”, bringing along willing limitations of national sovereignty from the member states, in exchange for the

benefits of belonging to an economic, political and military international actor with increased power.

## **2.The (New) institutionalism theories used in explaining European integration**

The Institutionalism theory represents a series of arguments based on political science, legal studies, and economics, acknowledging the importance of institutions and institutional structures, which began to develop in the late XIXth century and early XXth century and evolved considerably during the past three decades. The classic institutionalist arguments and topic were developed later within the new institutionalism. However, it is generally agreed that new institutionalism does not represent a unitary school of thought, but rather brings together at least three different analytical approaches, namely historical institutionalism, rational choice institutionalism and sociological institutionalism. What all these subdivisions of this theory have in common is that they appeared as a reaction to the behavioral perspectives that fuelled most of the theoretic debate regarding European integration during the 1960s and the 1970s and they “all seek to elucidate the role that institutions play in the determination of social and political outcomes” (Hall and Taylor 1996: p. 936).

The scholars involved in the study of institutionalism argue that market economy and capitalism can only evolve in the presence of consolidated and efficient institutions. Scholars concerned with classic institutionalism, whether they are economists, sociologists, or philosophers, such as M. Weber, T. Veblen, J. R. Commons, E. Durkheim, W. Mitchell, K. Polanyi, D. Davidson, R. Rorty, A. Sen, D. McCloskey, W. Samuels, D. Bromley, E.J. Mishan, or Y. Ramstad have often tried to provide an alternative to the neoclassical economic theory, in the attempt to explain their vision on the world, on humans as economic actors, on economic transactions and the costs involved. Unlike the neoclassic economists, the theoreticians of institutionalism regard the world as an imperfect place, where economic actors decide based on limited rationality and often precarious pieces of information and the transactions have their costs.

According to Walter W. Powell, “The core idea that organizations are deeply embedded in social and political environments suggested that organizational practices and structures are often either reflections of or responses to rules, beliefs, and conventions built into the wider environment” (Powell 2007: p. 35). Although the focus of his work was on different types of organizations, not only international intergovernmental ones, this argument can be extrapolated to these unions of states, as the shape in which they are built and the ways in which they conduct their internal affairs are visibly impacted by the regional and global environment in which they are founded.

Among the opinions expressed by the most important representatives of classic institutionalism, such as R. Coase, D. North, O. Williamson, E. Ostrom, all of them awarded with the Nobel Prize for economy, there are fundamental differences consisting in the orientation of their interdisciplinary approach. First of all, the theoreticians of classic institutionalism brought up the approach of institutions through the lens of the economic studies discussed along with legal and political arguments. The new institutionalisms reinforced concepts currently used in the field of economic science, along with legal and political concepts, but focused on the behaviour of

individuals, which can be described by using microeconomic theory and the games theory. Therefore, we can argue that these new approaches, defined as new institutionalism, do not regard only the official institutions, such as the administrative ones, but also include the unofficial ones, the non-formal links and ties created within a societies, that significantly contribute to creating the so called informal institutions ruling and conducting social behavior, expectations and ideals, directly transferred into political decision-making.

The normative role of institutions in society is a highly debated topic in the field of European Studies, but most of these debates agree on the important part that institutions have in the global economic context and upon society (Laursen 2002). Thus, the significant progress in the political, economic, social environment, as well as the new phenomena that occur in the global economy, such as regional integration and globalization, and the confrontation between the free market supporters and the supporters of interventionism, lead to the construction of a theoretical framework divided into several neo-institutional paradigms, that is constructed around the meaning and contribution of institutions within society, and, on a larger scale, regions or organizations.

New institutionalism is, however, not a unitary theoretical current, expressing and explaining social realities in one common framework, but rather a diversified one, concentrated around the main paradigms: these are the rational choice institutionalism, the historical institutionalism, and the sociological or organizational institutionalism, the last one embedding a normative approach to the studies concerning the evolution and behavior of organizations and institutions.

Different institutionalism approaches identified in the study of the European Union and its specific integration process are similar to the classification of institutional theories generally used in the political science. Pollack and Rosamond define, within the European Studies, the three classical subfields, namely the historical institutionalism, rational choice institutionalism and sociological institutionalism, while other scholars, such as G. Peters (1999: p. 19-20) add to these the normative institutionalism, the empiric institutionalism, the institutions aimed at representing the interests, or societal institutionalism and the international institutionalism.

### **3.Sociological institutionalism and the construction of the European Union**

The sociological study of institutions is focused on the symbolic dimensions, both in terms of knowledge and values of the organizations. This can be regarded as a reaction to the rationalist approach in sociology that stated that both structures and organizations can be explained through the tasks they fulfil and by the resources available for them. According to the traditionalist tradition, organizations were regarded merely as tools oriented towards action, although the difficulty of rational actions was revealed in several studies such as those of Simon and March (March, Guetzkow and Simon 1958).

In the study of the European Union, most attention goes to the functioning of institutions and the ways in which they cooperate in order to implement the designed policies. Starting with the 1960s and 1970, creating common functional policies that would contribute to the increase of the living standards of the member states became a priority for the European Communities, "In most states, now members of the European Union, we can talk about the beginning of regional policies since the 50's - 60's when industrialization produces a major economic growth, but also creates disparities

between geographical regions of the same country” (Ilie Goga 2014: p. 195) , The institutional framework that supports the execution of this measures, and the ways in which it evolved in time, during the history of the integration process, argues for the need of a sociological approach on the studies concerning the European Union.

The origin of sociological institutionalism can be reached within the subfield of organization theory, as sociologists began to “challenge the distinction traditionally drawn between those parts of the social world said to reflect a formal means-ends rationality of the sort associated with modern forms of organization and bureaucracy and those parts of the social world said to display a diverse set of practices associated with culture” (Hall and Taylor 1996: p. 946). Sociological institutionalism was developed as a theory in more studies than the other types of institutionalism, as institutions and organization are of major concern within the sociological studies, while the sociologic view upon institutions maintained its ties with the more collectivist traditions.

The sociological institutionalism theory developed as an alternative, being used in the theories of European integration as a tool to explain the contribution of social behavior, cultural inheritance, prescriptive roles and models in influencing the evolution of the organization. The rational choice theory provides a systematic and explicitly comparative methodology for studying the effects of institutions, shaped as constrains upon the action, considering the ways in which they affect the succession of interaction among actors, the options considered by actors, or the structure of the information available to them. In the study of European integration, it can be argued that the rules created and enforced by institutions constrain the individual behavior of maximizing the benefits and allow a stable and rather predictable process of decision making. Other approaches to the role of this theory in European Studies, such as those of Kenneth Shepsle or Barry Weingast, claim that institutions should be explain as means to aggregate individual preferences, seeking to achieve their own goals.

According to the supporters of new institutionalism in sociology, in the study of modern organizations it can be remarked that many of the procedures or institutional forms used are not necessarily the most efficient ones, or the ones that served best to reaching the common goals of the organization, as a rational theory would require. Instead, most of these procedures and forms are rather culturally-specific practices, assimilated as such into organizations, as they were created and developed in various societies, building into an inheritance of cultural practices (Meyer and Rowan 1977: p. 345).

The studies on sociologic institutionalism can be divided in two main categories: a significant part of them focus on the effects caused by the different forms of institutions, while another part is dedicated to study of the process of creating and modifying said institutions. Sociological institutionalism is more appropriate for explaining the institutionalization process, and also the process of creating the institutions, than it is for explaining the institutional characteristics resulting from that process. On the other hand, political science is more appropriate for explain the effects of institutions, such as empirical institutionalism than it can explain the ways in which institutions appear or disappear. The classic theoreticians of sociology such as Weber, Durkheim, or Parsons have been concerned with institutions and the links between the social forces and the nature of institutions. Weber’s work evolved around institutions and the concern for developing new rational institutions able to meet the demands of modernizing societies. His writings reveal his opinion that the rational-law enforced

bureaucratic model is, as an ideal, the highest form of rationality, despite the fact that this model of rationality cannot be achieved in the real world.

However, a close focus on the institutional and organizational model offered by the European Union reveals the fact that most of the functioning of the integration process is subscribed to a precise set of rules, the normativity of the process overlaps the external context influencing the evolution of the organization. In the building and evolution of the European Union, “social reality appears so constructed by definition, and not necessarily by a certain occasion” (Pogan 2015: p. 263).

In Weber’s approach, the legal-rational bureaucratic model is an ideal, representing the highest form of rationality, despite the fact that this model of rationality could not be reached in reality. He is concerned with analyzing the ways in which the cultural values penetrate and influence various types of formal organizations, while his claim is that there can be noted and demonstrated a direct connection between the cultural values in a society and the formal structures. Emil Durkheim also focused some of his studies on the theme of rational organizations, but his area of interest consisted in explaining the role of the objective societal characteristics, mainly the division of labor, in the functioning of the institutions. These social facts were transformed into symbolic systems that became common values. Talcott Parsons was one of the theoreticians who promoted the usage of functionalist arguments in the development of the social sciences. The main thesis was that, in order to survive properly, societies needed to fulfil certain functions, and these functions were directly connected and highly dependent on the existence of institutions that allowed them to be performed. Thus, comparing different societies can be made possible by starting from comparing the different types of relationships that appear between function and structure.

One of the main legal institutions created by the European Union is the European citizenship (introduced by the Treaty of Maastricht, TUE, 1992, Part two, art. 8), meant to complete and not substitute the national citizenships of the citizens of the member states. Despite the fact that “it is often seen as a “thin” institution with little substantive importance” (Diez and Wiener 2018: p. 9), the fact that the existence of this institutional unique creation embodies the existence of the fundamental freedoms that form the pillars of European integration, including the fundamental rights of working citizens, thus becoming essential for the social welfare across the Union. As Diez and Wiener highlight, “The citizenship case demonstrates that the assessment of an institution’s meaning depends on the type of theoretical approach chosen to study the problem” (Diez and Wiener 2018: p. 9), opening the debate about the role and meaning of creating legal institutions in the creation of a supra national entity.

Furthermore, the European Union presents a unique set of institutions and a network of procedures and tools for cooperation that cannot be identified, as a whole, in the functioning of any other international organization (Porumbescu 2018: pp. 8-9). Each of the challenges addressed to the Community can be responded in a series of ways prescribed by the treaties, ways that have, as a common feature, a pattern of cooperation and interdependence among the main institutions in the decision-making and implementing process.

#### 4. Conclusions

Several theoretical approaches have been used to better explain and anticipate the process of European integration. While current developments in the public European space fuel the debate for the intergovernmentalist approach, highlighting the importance of sovereign states in the decision-making process, the unique institutional architecture the European Union was provided with the opportunity for keeping the fragile equilibrium between the will of the citizens, the autonomous will of the member states, and the organization's need for continuous and deeper integration. On this note, some of the theoreticians of European integration argue that "integration should be viewed as a path-dependent process producing a fragmented but discernible multitiered European polity" (Pierson 1996: p. 123), rather than "treating the EC (European Community) as an instrument facilitating collective action among sovereign states" (Pierson 1996: p. 123).

According to Rosamond, the analytic interest of sociological institutionalism and its theoreticians is focused on investigating "the capacity of cultural and organizational practices (namely institutions) to modify the preferences, interests and identities of actors within the social world" (Rosamond 2000: p. 114). However, in the European Studies this type of sociological and institutional approach has not succeeded in being very well argued with the use of its theoretical tools, but rather as part of the social constructivist theory (Ion 2013: p. 62). The scholars concerned with the study of sociological institutionalism seem to disregard the fact that the general acceptance of formal practices among some actors of European integration, despite the difference of opinions among them, may be heading towards the achievement of a series of mutual long-term benefits, not necessarily a result of the constant interaction and communication amongst them. To sum up, they seem to prefer to highlight the influence of the institution on the creation and evolution of interests, preferences, and identities of actors in the detriment of the idea of exploring the exogenous causes of these institutional variations.

The purpose of neo-institutionalism is to bring to the table the role of institutions, be they rules, norms or social practices, or the institutional context in shaping the political behavior and the result of political action. But the social reality brings to light the fact that not only institutions matter in this evolution, but also does history, or the current shape of political practice is also influenced by its evolution, the path it went before getting to its current shape. The actors are also socialized within this complex institutional context, and they model their behavior according to it. Consequently, the neo-institutionalists argue that the political conduct, the ways in which social decisions are adopted are extremely complex, and, therefore, often difficult to predict. Furthermore, once set into place, institutions tend to become rather conventional, routinized, and hard to reform, change or replace. This can also explain why there are periods of stability, regularity, in the political arena or in the political institutions, often followed by eras of intense institutional change.

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