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POLICY AND INSTITUTIONAL ANALYSIS IN THE EUROPEAN UNION SINCE THE TREATY OF ROME: HISTORICAL PERSPECTIVE

Abstract

The politics of the European Community during transition processes after the Second World War might be partly framed and largely formulated. At that stage the politics in the European Community was not essentially different from the practices of the governments in any democratic system. As in all modern politics, European Community politics is influenced by questions of representation and participation, the distribution and allocation of recourses, and political and administrative efficiency. In order to develop the research, the early literature on institutions and policy-making will be briefly explored. We argue, that the research on the European Union moved from international relations paradigms towards a focus on comparative politics approaches. We also claim, that comparative politics approaches emerged as a major reference point in researching European Union's institutions and policies. To research the connection between political inputs and outputs on these issues, this article outlines the discourse of "comparative politics". Finally, the article will contribute to our understanding of the reason for changes in the role of the state, derived from the EU's development and changing arrangements of state-society relations, with some emphasis of the influence of the European Union on the member states in the context of horizontal and vertical division of powers.

Keywords: Institutions, Policy, Integration, Federalism, Power, Model, Democracy, System.

Introduction

The purpose of the article is to provide a brief descriptive summary of what have been the key contributions to the institutional and policy analysis since the Treaty of Rome has been signed. Since the 1950s European Community has been for the most part examined as an example of supranational integration or intergovernmental cooperation between sovereign nation-states. It was therefore proper that the traditional investigation of the European Community used an international relations (IR) framework. However, now that the European Community is more than an international organization, international relations (IR) approaches are of limited use. For instance, from an IR perspective political conflicts in the European Community were essentially along the single measurement whether actors either supported or restricted further supranational integration. As the political features of the European Community were growing, however, there was additional conflict over of allocation and distribution of recourses. On such socio-economic issues, political rivalry emerged along a fundamentally different measure, i.e. whether positions were classically defined as left or right.

The article is divided into four main parts. The first part is focusing on the review of the existing literature regarding the topic. The second part outlines methods for analyzing European Union policies. The third part includes

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a discussion of results and in the fourth part we shall discuss the general findings.

1.   Literature Review

Early theoretical or analytical literature with regard to institutions and policies was an outcome of integration theory. The arrangement of opposing approaches to political science is almost as manifold as the number of methodologies themselves. For instance, Blondel makes a differentiation between behavioral, structural and normative accounts (Blondel, 1976); Olsen and March make a distinction between reductionist, utilitarian, instrumental, functional and contextual approaches (James G. March, Johan P. Olsen, 1989). On a more meta-theoretical level, Charlesworth contrasts accounts characterized by their method and those identified by their objective (Charlesworth, 1967). Almond suggested a fourfold typology emerging from methodological and ideological divisions (Almond, 1990). Nonetheless, Charlesworth and Almond's contradiction are not commonly characterized, because distinctive methodological approaches are often taken from contending ideologies or research objectives. Moreover, these typologies do not outline the diverse ontological expectations of political science models which have turned into focal points of recent debate in the discipline. Hence, categorizations should incorporate methodological and ontological distinctions.

Originally, research on the European Community's development was conducted in an IR framework. Federalism, neo-functionalism and functionalism were the main literatures on European integration. Some authors concentrated on the attractive product of this partnership, as an example could be taken functionalism and federalism, while others concentrated on the background circumstances which is necessary for the formulation of a new transnational political unity. All of these arguments were later influenced by sophisticated neo-functionalist experiments to analyze the process of European integration (Bulmer, 2009).

Disputes between states can be resolved on the basis of "the smallest common denominator", by "splitting the difference", or by "upgrading common interests." The smallest common denominator type, a "characteristic of classical diplomatic negotiations" (Lindberg L. N., 2007), involves relatively equal bargainers who exchange equal concessions while never going beyond what the least cooperative among them is willing to concede" (Lindberg L. N., 2007). Accommodation by "splitting the difference involves a similar exchange of concessions, but conflicts are ultimately resolved somewhere between the final bargaining position, usually because of the mediatory role performed by several institutions, or out of deference to third party pressure such as might be institutionalized in parliamentary diplomacy. This implies the existence of a continuing organization with a broad frame of reference, public debate, rules of procedure governing the debate, and the statement of conclusions arrived at by some kind of majority vote" (Lindberg L. N., 2007). Such intervening organs do not, as a rule, have the capacity to characterize the terms of an understanding; they participate in setting the limitation points inside which a definitive accommodation is reached. Accommodation on the grounds of "upgrading common interests, whether deliberately inadvertently depends on the participation of institutions or individuals with an autonomous role that permits them to participate in actually defining the terms of the agreement" (Lindberg L. N., 2007). It suggests greater progress and advancement toward political collaboration, for it demonstrates that: "The parties succeeded in so redefining their conflict so as to work out a solution at a higher level, which almost invariably implies the expansion of the mandate or task of an international or national government agency. In terms of results, this modes of accommodation maximizes… the spillover effect of international decisions: policies made pursuant to 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" (Lindberg L. N., 2007). Political cooperation and integration can be characterized as a process or as a condition. It alludes to the possibility that disputes will be determined without brutality. The focal concept could be that of a "security community, which is a group of people which has become integrated, that is they have attained within a territory", institutions and practices strong enough and widespread enough to assure, for a long time, dependable expectations of peaceful change among its population" (Deutsch, 2003). Political integration and cooperation as a condition have been condemned on the fact that they allow just a general discourse of the environmental factors affecting integration, and they do not provide the apparatus expected to make a reasonable distinction between the circumstance preceding cooperation and the circumstance prevailing during the procedure, in this way obscuring the role of social change. "Political integration and cooperation is a process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities toward a new center, whose institutions possess or demand jurisdiction over the preexisting national states. The end result of a process of political integration and cooperation is a new political community, superimposed over the preexisting ones" (Haas, 1958).

The federalist literature's origins in comparative politics were replaced by the strong normative content that came with its advocacy of an international state to overcome the nation-state system that was seen as a main reason of two world wars (Bulmer, 2009).

2.   Methodologies for Analyzing European Union policies

In order to analyze the European Union policies, the following approaches and tools used to be referred to: new institutionalism, policy network analysis, constructivism and multi-level governance.

Theoretical approaches regarding the EU politics and the evolution of EU Politics can contrast from one another and might influence each other:

- Theory dealing with polity – consist of political group and its institutions. Approaches in this classification would be, those explaining how the European Community's institutional structure occurred, or those trying to discover constitutional alternatives on the premise of normative considerations;

- Theory dealing with policy – consist of actual measures taken to resolve specific problems, and theoretical approaches in this area compare and examine their substance, or critically reflect upon them. This incorporates perspectives such as "policy style, the general problem – solving approach, the policy instruments used, and the policy standards set" (Richardson, 2006).

- Theory dealing with politics – includes the process of policy – making and strategies of political actors dealing with one another. It is about the negotiations between governments, the influence of specific interest groups, or the predominance of a particular style of how decisions are reached.

New institutionalism offered two clear directions: first, institutions were important and second, the degree of the importance of the institutions. Institutions were understood differently from the traditional way: as rules and norms. Thus, the new institutionalism was well adjusted to governance. It was an attempt to counteract the previously held view that institutions were relatively passive. The "new institutionalism", and in particular the branch of new institutionalism known as "historical institutionalism" has not only influenced the study of West European politics, but indeed, in some respects, this approach emerged out of the study of West European politics itself (S. Steinmo, F. Longstreth, K. Thelen, 1992). It is remarkable that the historical institutionalism is best known for its studies of macro-historical radical and revolutionary changes and for the concepts like "path dependency"[2] (Immergut, 1998).

Policy network analysis offers an actor-centered approach in order to understand the policy process in the European Union. According to Peterson and Richardson, it concentrates on policy actors that are offered by the institutionalism approach (William, 2000). However it shares with institutionalism an affinity to the governance turn as it has an emphasis upon "the mutuality and interdependence between public and non-public actors" (Pentland, 1973). Policy network approaches are set up to evaluate the impact with a specific goal to clarify how participants in European Union history have cooperated and contended, under the influence of intellectual tensions and institutional passions, which forced their decisions and activities.

Constructivism offers an important contribution to cope with a particular set of issues where mutually constitutive nature exists. Those are: rights, citizenship, re-shaping of political identity, etc. (Nugent, 2006). Moravcik argued, that constructivism failed to build falsifiable hypotheses or explore the same evidence using rationalist analysis (Moravcsik, Preferences and Power in the European Community: A Liberal Intergovernmentalism Approach, 1993). This critique has been refuted, however, by a number of constructivist's research works in which more positivist approaches have been offered[3].

Multi-level governance explains how the authority of the state has been hollowed out by European Union's structural funds - by the EU from above and from below its partnerships with region. It should be noted here, that this approach has been subsequently theorized: "it's close to the more ordered layers of governance, such as federalism, whereas the latter conforms to more arrangements that are task specific" (Liesbet Hooghe and Gary Marks, 2003).

3.   General Findings

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[2] Path dependence explains how the set of decisions one faces for any given circumstance is limited by the decisions one has made in the past or by the events that one has experienced.

[3] See Audie Klotz and Cecelia M. Lynch (2014). Strategies for Research in Constructivist International Relations. New York: Sharpe

European Community after the Second World War has "developed beyond the role of a traditional international organization" (Shackleton, 1991). There were two types of political disputes: group dispute, between supranational centralization and national independence; and framework dispute, between economic and social regulation and deregulation. The presence of these two crucial dimensions of dispute in the European Community was intervened by the sociological theories of nation-building to the development of the European Community. Rokkan and Lipset created a model of nation- building, which clarifies the grid of political and social divisions in European politics after the WW2 (Wiarda, 1967).

According to the Rokkan-Lipset proposal to the European Community system, there were two major lines of disputes composed by two separate critical circumstances (Figure #1).

Critical Juncture	Division	Conflict
Supranational Integration	Centre–Periphery	Integration vs. National Sovereignty
Industrial Revolution	Left – Right	Free Market vs. Intervention

Table N1 - The Rokkan - Lipset Model

Consequently, the process of national integration and supranational integration composes a regional versus centre division, between European interest and national interest. This division is therefore demonstration in the debate between supranational integration and the attempt to protect national sovereignty. Secondly, the industrial revolution composes a left-right or socio-economic division. Accordingly, this left-right division was a demonstration at the European level with the European Community politicization as decisions on inquiries of market regulation started to be taken at the supranational level.

During the 1970-s, the research agenda on the European Community changed. Regional integration theory led to new concerns. According to those concerns policy and institutional analysis seemed more innovative and made contributions which predicted later developments. These contributions were reflected in the adoption of a comparative politics approach to the European Community (Lindberg L. N., 2007).

3.1. Comparative Politics Approach

Among the institutional methodologies used for studying the European Community, the comparative politics approach have been used to analyze the European Community after 1970s (Table No 2) (Lindberg L. N., 2007).

Institutional Structures	Institutional Environment

Fixed Collegiate Executive: *Mixed Executive Functions;* **Asymmetrical Bicameral Legislature** *Primary: Indirect state Representative* *Secondary: Direct Citizens representative* **Territorial Division of Authority** *4 levels of Competences:*
   I. *Supranational*
   II. *Concurrent*
   III. *Intergovernmental*
   IV. *National*
	Elite Predominance
	Territorial Pillarization
	Segmental Autonomy
	Proportionality
	Minority/Mutual Veto
	Oversized Coalition

"Cooperative Federalism"	"Consociacional Democracy"

Table No 2 - Result of the institutional features of the European Community

Comparative methodologies therefore seem less suitable to determine an institutional structure than to characterize the decision-making environment as it stands at the present time. Furthermore, the perception that the European Community after WW2 demonstrated principles of "cooperative federalism", has an imperative indication for the analysis of political tensions in the community. Describing the European Community after the Rome Treaty permits further observations to be conducted from politics in federally formed and territorially pillarized frameworks.

A comparative analysis recommends that there are two major measurements of policy in the Community (Table No 3).
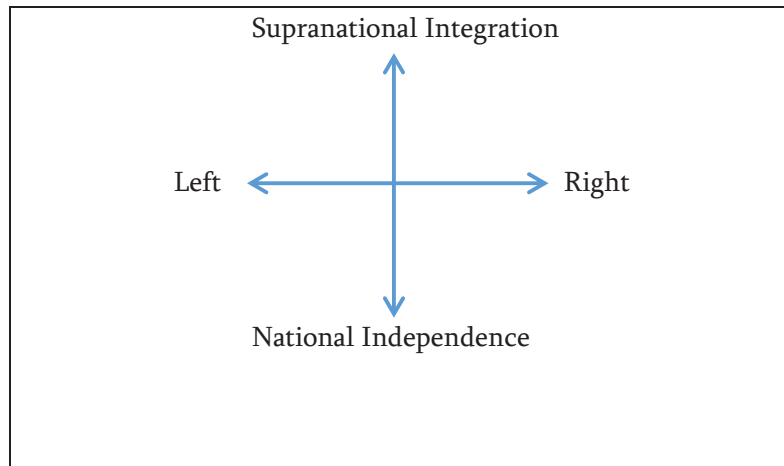

Table 3 - Two Major Dimensions

Primarily, there is the national-supranational contrast outlined by the pluralist and realist approaches. Also it should be noted that sociological methodologies represent the socio-economic contradiction, which is present in all European frameworks because of the problems involved in governing an economy. The Left-Right dimension developed only when essential socio-economic issues were handled at the European level. This, in this manner, emphasizes the instinctive arguments that party-political divisions will only exist at the European level as an outcome of the politicization of the community (Wallace, 1979).

The interaction between these two measurements also depends upon the institutional circumstances in the European Community; limitations are typical in "cooperative federalism" and "consociationalism". In consociational frameworks the pillars do not take into account the class divisions in the Left-Right contention (Lijhart, 1979). Moreover, the institution of elite settlement attempts to "control the advancement of contentions that cut across and internal coherence of the Pillars" (Lijphart, 1979). Similarly, the institution of federalism constrains the basis of ideological conflicts and limits the development of party structures (Chambers, 1975). In spite of these requirements, accordingly, on Left-Right issues party political positions might be better indicators of European Communities post-Second World War policy than the national interests of countries.

3.2. Vertical division of powers between the European Union and national governments

The clear measuring tool for the European Union institutional development is the vertical development of powers between the European Union and the central governments of member states. The EU possesses such powers as have been given to it by the member states. Therefore as a measuring tool we can consider the power "mandated" to the EU level over the years (Mark A. Pollack and Molly A. Ruhlman, 2009). For example, in the Treaty of Rome Article 100 (now Articles 94 and 95, as amended) gives power to the European Economic Community to adopt harmonized regulations in areas related to the proper functioning of the internal market and Article 235 (Article 308 after amendment) cast an ever wider net, allowing the Council to adopt policies related to the core objectives of the European Economic Community[4].

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[4] See "The Treaty of Rome" (Article 100 and Article 235) on the link below:
http://www.europarl.europa.eu/about-parliament/en/in-the-past/the-parliament-and-the-treaties/treaty-of-rome

The result of these developments in the vertical separation of powers in the European Union is as follows: on the one hand, the various European treaties, as amended, now constitute a federal system, if by federalism we mean "an institutional arrangements in which:

• Public authority is divided between state governments and a central government;

• Each level of government has some issues in which it makes final decisions;

• A federal high court adjudicates disputes concerning federalism (Kelemen, 2011).

On the other hand, it should be outlined, that in comparison with other federal systems the European Union's federal center is weaker or rather "its strengths varies across issue areas with strong legal competences and a strong regulatory presence in core areas such as the internal market and competition policy and a relatively weak coordinating role in other areas, particularly those surrounding the core functions of modern welfare (Moravcsik, 2001).

3.3. The horizontal division of powers

The European Union can be also characterized by a horizontal separation of powers in which three distinct branches of power exists. Those are: executive, legislative and judicial. In case of the European Union the executive functions are shared by the Commission, the member states and European regulatory agencies. The legislative function is shared between the Council and the European Parliament with an agenda-setting role for the Commission; the judicial function is shared between the European Court of Justice, the Court of First Instance and a wide array of national courts bound directly to the Court of Justice of EU through the preliminary reference procedure (Alter, 2009).

The original Treaty of Rome established different voting rules in the Council for different issues. Over time, some scholars noted that the European Community and subsequently the European Union gained "an ever-growing set of legal competences to legislate across a growing range of issue areas" (Wallace W. , 2013).

Something similar could be said regarding the participation of the European Parliament in the European Union legislative process, as the amendment of the treaties has had major effects on the European Parliament's legislative role. The original Treaty of Rome included only three legislative procedures: "Council acts alone, European Parliament is informed and the consultation procedure in which the European Parliament was consulted on a decision".[5] According to the later signed treaties[6], the European Parliament "was allowed to cast a straight up-or-down vote on the Council's draft legislation: a cooperation procedure in which the European Parliament can propose amendments that would be easier to adopt than to reject"[7]. And two versions of a co-decision procedure in which the European Parliament enjoyed co-equal status with the Council (Molle, 2006).

If we follow the changes over time, we see the Commission's changing functions, as according to the Rome Treaty, the Commission had the function of a "guardian of the treaties". But also of a competition policy regulator and trade negotiator (McConnell, 2017). These powers were extended and it gained additional responsibilities for management of European Union spending programs and for regulation (Manfred J. Holler and Hannu Nurmi, 2013).

Similar changes occurred in the European Court of Justice. In the Treaty of Rome the Court was granted "the power to hear enforcement actions against the member states, the power of judicial review of Community acts or failures to act, and the ability to accept preliminary references from national courts within the various member states (Geoffrey K. Roberts, 2014). Over the years these powers have also grown. This growth can also been seen in the power to fine member states for persistent non-compliance with European Union law and to create other secondary courts due to the growing number of cases brought under European Union law.

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[5] See "The Treaty of Rome" (Article 4) on the link below:
http://www.europarl.europa.eu/about-parliament/en/in-the-past/the-parliament-and-the-treaties/treaty-of-rome

[6] See Treaty of Lisbon (signed in 2007); Treaty of Nice (signed in 2001); Treaty of Amsterdam (signed in 1997); Treaty of Maastricht (signed in 1992).

[7] See European Union legislation: http://www.europarl.europa.eu/external/appendix/legislativeprocedure/europarl_ordinarylegislativeprocedure_howitworks_en.pdf

4.   Discussion of Results

We observed a variety of long-term tendencies in the policy and institutional developments after the Rome Treaty has been signed. Regarding the institutions we noticed that in the vertical separation of powers institutions of the European Union are acquiring increasing competences and gaining features of a federal system. Observing the horizontal separation of powers we noted the rise of the European Union's legislative powers with a growing set of legislative competences, linked to the increasing legislative power of the European Union Parliament. We also noticed a gradually growing role of the European Union judiciary. However, we saw also limitations to the institutional developments of the European Union, including the European Union Parliament's unequal status in the legislative process. Finally, we saw the problem of consensus in delicate decisions of the Council and the declining position of the Commission, specifically in the legislative process.

The outcome, what we have examined it, indicates an ongoing dynamism in the European Union integration process. Our observation sees the European Union as a political system in which left-right contest has replaced the integration dimension of contest in earlier periods.

Conclusion

Our observation sees the European Union as a relatively stable polity whose basic institutional structure has changed since the Rome Treaty, however its regulatory policies are still well established and it might be changed only in case of policy challenges and public preferences.

Consociational democracy is the aspect in European Community after the Second World War: contrasted society, elite dominance, segmental autonomy, proportionality, veto of minority and larger coalition. European Community was a regionally pillarized system, as an individual involvement and allegiance was principally engaged within the nation-states. First, elites prevailed inside of their pillars because the national governments controlled the distribution of recourses and continued a monopoly over the powers of coercion within the national territory. Second, inside of the community the aspiration of governments to preserve their national sovereignty was the equal of segmental autonomy inside regionally pillarized federal states (Lijphart A. , 1979). Third, proportionality was guaranteed in the frameworks of representations in the Council of Ministers. Fourth, the veto which permitted a member state to practice it, if there was any risk to an essential national interest. The large extent of coalition has emerged due to the qualified majority voting in the Council of Ministers.

The European Union political system has developed its own sovereignty with the perspective to transcending the sovereignty of its parts. The present interaction between coordinated interdependencies and diffused political authority suggests that the European Community is not a part of a direct process. In both political and historical terms, such a process consists of the qualitative – structural – transition of a system of independent states into the most developed structure of peaceful and voluntary regional integration, without carrying with it the hypothesis of the end of the nation-state.

The institutions and policies initiated by the Rome Treaty were exceptional by their supranational character, including the giving of certain competences and powers to the European Economic Community. This process was remarkable among international organizations. Moreover, we have witnessed a significant development of all these institutions.

Institutional and policy change in the European Union since the Rome Treaty have been real and impressive. In some cases, it was developing gradually and in some cases through decisions by the member states.

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