CHAPTER 2

LIBERAL THEORIES OF REGIONAL INTEGRATION: A GENERAL APPRAISAL

2.1. Introduction

Integration theory is so undeveloped that there is no accepted definition of integration or consensus on the indicators of integration (Dougherty and Pfaltzgraff, 1981, p.453). Its record in describing, explaining and predicting regional integration across the globe has not been successful (Hodges, 1978, p.247; Haas 1971, p.6). Is international integration comparable with national integration as we understand it today? After all, the bulk of national unification cases are characterised by imperialist expansionism rather than peaceful integration. In fact while theoreticians were trying to grapple with the phenomenon of supranational organization, political sociologists were engaged in the identification of those processes which they thought would create integrated national societies particularly in the developing world. An understanding of the processes which make possible the creation of new types of human communities at a very high level of organization is a theme of general interest even as we are facing problems associated with disintegration all over the world. It is no wonder that Europe which had successfully created nation states itself became the crucible of experiments in supranational organization.
Most of the theoreticians of regional integration take as their starting point the conditions of the twentieth century, and seem to be having some sort of a commitment to it as a process for reducing international tensions and improving the lot of humanity (Harrison, 1974, p.11; Garnett, 1984, p.33). For example, Deutsch and others said: "We undertook this enquiry as a contribution to the study of possible ways in which men some day would abolish war" (1957, p.5).

2.2. Functionalism

The functionalist thesis upon which most of the popular theories of integration are based was not originally designed for either explaining or advocating regional organizations. The classic statement of functionalism is attributed to Mitrany (1966, p.27) who says that authority should be linked to a specific activity so that the traditional link between authority and a definite territory can be broken. In his scheme, regional organizations are likely to result in inter-regional conflict and are antithetical to his vision of a non-territorial global organization. The emphasis is more on universal human welfare than any fragmented kind. But Mitrany's content has been deployed by regional integration theorists either in the pure form or as variants, for they found in his ideas a technical solution to the intractable nature of international relations. National sovereignty was Mitrany's bete noire.
In view of its technical and non-political nature, and in view of its implicit belief that economics and welfare have a primacy which will and should guide policy on a global basis, its rootedness in a liberal economic logic cannot be denied. This economic way of thinking, Harrison (1974) tells us, was firmly entrenched in the post war period in Europe when an economic concept of social change not only looked attractive as an idea but was also reflective of real thinking and real need during that period. He says: "Mitrany's thinking, however, reflects the dominance of economics in international studies and the paucity of integrative studies. Beneath the different national costumes he hears the beat of the heart of the economic man" (p.29). Instead of stressing national capacities for economic development in a spirit of national honour, functionalism takes human need as its point of departure (1).

Harrison tells us that functionalism deals in rewards rather than speaking of deprivations. It holds high the products of cooperation rather than the sacrifices which may have to be made to reconcile conflicting interests. Functionalists say that a peaceful international society is more likely to emerge "through doing things together in workshop and market place rather than by signing pacts in chancelleries" (Mitrany, 1966, p.25). Sovereignty, Mitrany thinks, should be transferred to the new authority which performs functional tasks.
Such transfers will lead to an overlaying of the political divisions with a spreading web of international activities and agencies in which and through which the interests and life of all nations would be integrated. The organizational form and coordination that should characterize these functional organizations also should be derived from needs specific to the various functions. Mitrany was obviously not in favour of the creation of some sort of fixed structure like a global state to coordinate the activities of the functional agencies (Mitrany, 1966, pp.72-3).

Mitrany tried to pull nationalism down without directly taking it on, by making it redundant. The main principle of functionalism is that people can be weaned away from loyalty to the nation-state by the experience of fruitful international cooperation. So international organs arranged according to requirements of the task could increase welfare rewards to individuals beyond the level that can be obtained within the state. The rewards will be greater if the organization worked across national frontiers. The experience and the learning that results from this success in cooperation will undermine the bases of the nation-state. Slow beginnings will lead to the enmeshing of governments in multitudinal networks of cooperative ventures, thereby gradually weakening the loyalty to states (Taylor, 1975). Functionalism takes a view of conflict as originating from the social and economic circumstances of the people and once the people
are materially provided with what they want, there will be peace and in this sense, functionalism has all praise for the political role the specialized agencies would be playing in containing violence (Taylor, 1975).

The liberal rootedness of functionalism is clear from the admission of Mitrany himself. He said that functionalism "rests indeed squarely upon the most characteristic idea of the liberal-democratic philosophy, which leaves the individual free to enter into a variety of relationships—religious, political and professional, social and cultural—each of which may take him into different directions and dimensions, some of them of international range. Each of us is in effect a bundle of varied functional loyalties; so that to build a world community upon such a conception is merely to extend and consolidate it also between national groups and societies" (1975, p. 265).

2.3. A General Critique of Functionalism

It may be axiomatic to state that functionalism stands for a model of development rooted in capitalism. That the trickle down theory of development seems to be at work in the functional logic is evident from its belief that gradual functional development would lead to equalization of social conditions and thus bring about changes of a peaceful nature, in tune with the real needs of the people, and that there is no need for
institutional or constitutional arrangements to take this process forward (1975, p.121). Although Mitrany says that his purpose is to "weld together the common interests of all without interfering unduly with the particular ways of each" (p.115), he assumes a kind of uniformity in that he takes the liberal regimes of the industrial West as his point of departure. In a world of ideological dissimilarities, and differences in levels of economic development, no consensus on what constitutes welfare can be evolved easily. Further, the functioning of agencies like the ILO and the IBRD does not corroborate the idea that functional cooperation can take place divorced from the political environment (Hodges, 1978, p.240). While there is no political bias in favour of liberal political institutions in his thinking, the cultural roots of functionalism are so formulated as to project a model of development and values that are embedded in Liberalism. Mitrany said that the cardinal virtue of functionalism is "technical self-determination" (1975, p.118) in that functions determine institutions, and powers and authority necessary for their performance vary from function to function.

The functionalists assume that the "jealousies of sovereignty are to be found only in territorial units, and not in functional ones, and that therefore the coordination of proliferating and overlapping agencies will not be as difficult as the conciliation of states" (Pentland, 1973, p.71). Now, divested of its global
problematique, even in its regional meaning, it fails because it assumes that a progression from noncontroversial commonly experienced needs to a gradual erosion of the foundations of political authority and nationalism is possible. It may be noted that the technically determined and sustaining economic Gesellschaft (Gemeinshaft according to Taylor, 1975) of Mitrany is based on the usual ethnocentricism which has come to characterize much of Western social science. In other words, his understanding of the global reality, although revolutionary in many respects, was against the background of his understanding of the reality in Europe and a constricted view of the growth in international organizations.

Functionalism fails on many fronts. Mitrany failed to analyse the total environment within which the functional arrangements would obviate the need for political structures. Mitrany thinks that sentiments of national dignity or prestige will not be affected as far as the small states are concerned. They, he thinks, will accept the leadership of the major states in the functional sphere (1966, p. 65–66). This fails to capture the fact that issues of prestige and honour are perhaps of more saliency and functional purpose for many of the national leaders of the newly emerging states than Mitrany thought. Harrison tells us that the search for "equivalent status" is one of the most dynamic aspects of international conflict which Mitrany
underestimated (1974, p. 32). Mitrany also failed to see that political and ideological differences can stand in the way of progress of functional arrangements. He ignores issues of security which any student of international politics can ignore only at the cost of plausibility.

Mitrany was opposed to attempts to bring about constitutional arrangements to stave off conflicts as he thought such moves will only bring out further conflict. So Mitrany does not seek to deal with the problems that stand in the way of cooperation directly, but takes it for granted that they will be reduced with the passage of time and with the rewards of economic logic materializing. Further, Harrison notes that since Mitrany wrote his seminal work, the state has changed its attitude in the direction of welfare, undermining the persuasiveness of the functional logic. Further, Mitrany thinks that the welfare needs of all the people all over the world is one and the same which is not true. In as much as Mitrany's approach had elements which sought to undermine the state apparatus and to assert the claim of civil society, in spite of its rational choice connotations and its rootedness in liberalism, it carries with it some critical agenda. However, different regions have different welfare needs (Harrison, 1974, p. 35). The perception of each group of its specific problems is a function of its national culture and political priorities rather than anything else (Pentland, 1973 p. 80). In such a
situation, the creation of international institutions can lead to welfare as interpreted by the dominant forces, a point on which conflict is bound to occur. Further, functionalism failed to take account of the political context of international activity, a point on which the realists score. Apart from factors of ideology, the character of ruling classes, attitudes of the ruling elite and so forth are important considerations in explaining unification which Mitrany seems to have overlooked or dismissed (Harrison, 1974 p.36).

From a Gandhian point of view, functionalism can be criticised for its excessive emphasis on a crude utilitarian social psychology guiding human conduct. If community is the sum of the functions carried out by its members (which is opposed to the Weberian or Durkheimian notion of community as resembling Tonnies' Gemeinschaft), its foundations are bound to be weak. Amitai Etzioni says that a contractual relationship based on self-interest can succeed only if it has pre-contractual underpinning (1968, p.98). Mitrany particularly saw international trade as one such area where functional arrangements would gradually make state structures redundant. But he fails to examine the asymmetrical nature of trade and power in general in international relations which makes all talk of functionalism appear as a defence of the classical economic logic of an invisible hand taking care of everything, the defence of the morality of the market place. In his study of the
theories of integration. Harrison came to the conclusion that functionalism is inadequate in view of its "monocausal explanation of social activity" (1974, p. 39).

Mitrany's argument that international economic and social cooperation is a prerequisite to the ultimate solution of political conflicts and the elimination of war seems to have been hailed as a rationale for regional cooperation. The universal urge for welfare is certainly there. But this universal urge has to be reflected in the social structures also which often play truant. So instead of taking a structural view of conflict and conflict regulation, Mitrany sticks to a purely process-based normativism wherein lies the flaw of functionalism.

Behind the supposedly benign version of functionalism with its technical determinism lies a vision of technology as the harbinger of change and progress and technological progress as automatically engendering cooperation in political structures. Here also technological optimism does not lead Mitrany to examine issues of social justice that seems to be rising with the passage of technology from one stage to another. By suggesting that the divisive and accentuating jealousies associated with the state can be suppressed if the welfare functions are performed by technically minded expert groups whose reason does not accommodate categories like narrow nationalism, Mitrany indirectly makes an apotheosis of the project of modernity with
which much of what is known as technical rationality is associated. From governing men which has become a hallmark of the state, there will be administration of things in this scheme. This rationalist Gesellschaft of Mitrany actually postulates that reason shall ultimately prevail. Yet, the logic behind reason is more astute utilitarian calculation than anything else. However, if the base of Mitrany is rationalist utilitarianism, building a community on such a foundation may not be a worthy enterprise. Pentland (1973) also thinks that aspiring to construct a community on these assumptions is not sound. Further, the assumption that technical decisions can remain noncontroversial is questionable.

It is not uncommon to see scientists armed with what they call objective data argue in a so-called rationalist assembly for hours together. This argumentation could be a reflection of divergent national positions, a possibility altogether ignored by Mitrany (Pentland, 1973 p.74). Actually, Mitrany talks in terms of a world society organized along functional lines which can act as a challenge to the organization of the world along current patterns of geographical regions and states wherein lies his antipathy towards federal and confederal models of integration and regionally based organizations. So, if there has to be regionalism at all, it has to be functional and not territorial (Pentland, 1973, pp.75-76), which means regions are functional areas like transport and communications and not regions like South Asia. I
think that the concept of a geographically based notion of regionalism inevitably bestows upon states (which are still the commonly perceived organizing principle of geography) a central role which Mitrany wanted to avoid. However, the nation-state system is still on the ascendant which stultifies Mitrany's regionally based observation of the phenomenal growth of international agencies. Although Mitrany's technical determinism also covers organizations that are to replace gradually the functions of the state, there is a kind of indeterminacy about them. Further, the technological changes that Mitrany witnessed need not lead to the demise of the nation-state. Instead, even in bodies like the EC, issues of welfare are seen as national and not European. This is particularly true of Third World countries where the increased communication facilities have been instrumental in adding to the power of the state rather than undermining it(2). That the global power asymmetries can be reflected in the international agencies has not been recognized by Mitrany is only too apparent. We have seen that the global aspirations of a sizeable section of society can be thwarted by the entrenched interests of major powers in international forums. The neo-realist critique of functionalism concentrates on its naivety about power and conflict(Keohane, 1984, p.7). Keohane sees cooperation as mutual adjustment and thinks that seeing international political economy as an arena for the pursuit of power and wealth will enable us to locate cooperation less as an attempt to realize high ideals and
more as a means of attaining self-interested economic and political goals.

The European experience also confirms the flaw of functionalism. It shows that there is nothing intrinsic to technological determinism which promotes integration. Further, political factors have not been at a discount even in Europe. For the most part, the functionalist endeavours were largely of relevance to governmental elites and businesses and not to the masses. The perceptions and learning of people are not guided by rational calculations as functionalists assume. It is a complex mix of social and psychological factors (Pentland, 1973, p.99). Because functionalism was seen as capable of providing a strategy for regional organization, this has been adopted by many students of international relations (3). It may be said that functionalism arose at a time when economics as a discipline influencing policy was firmly established, that is during the time of the second world war and also in the post-war situation when there was an economic approach to every national and international problem (Harrison, 1974, p.29). Accordingly, there are two considerations in the minds of people. One is based on national loyalties, honour and defence and the other on issues of health, wealth, transport, housing etc., and functionalism is based on the primacy of the latter values. This dichotomous perception of human needs and values actually does not do justice to the fact that often the two categories are inseparable. Further,
Mitrany fails to take into consideration the levels of development in different regions or the need for social change of a fundamental nature in some national societies. Furthermore, since Mitrany wrote his thesis, the welfare state has assumed many of the responsibilities that the functionalists wanted to entrust to the functional organizations. Ruling classes, political factors and elites etc., have been facilitators of regional integration, a point which Mitrany failed to take into account (p.35-36).

While the pluralists see integration in terms of the existence of the states, the functionalists see it in terms of the weakening of the state apparatus. That there can be no political loyalty apart from the sum of the functional loyalties that individuals have is a kind of revival of the Benthamite felicific calculus and it fails to take account of the complex nature of human attitudes and motivations. Further, how are functional needs to be identified? At least, there seems to be no consensus about what constitutes functional needs apart from the belief that they are best determined by the experts or social scientists themselves. "Inherent in this is a technocratic distaste for political conflict over basic values" (Pentland.1973, p.86). By arguing that the objective material outputs of governments are more important than the subjective or symbolic ones in determining the loyalties of individuals, functionalism actually assumes too much. The functionalists believed
that the states will act as intermediaries in the initial stages to facilitate the process of transfer of loyalties which does not seem to be forthcoming in practice. They have also not provided a means of transferring the individual loyalties by undermining the authority of the state. The role of the irrational and the perceptual have not been accounted for in the functionalist agenda (Pentland, 1973, p. 87).

2.4. Neo-functionalism

Neo-functionalism arose as a deployment of the original problematique of functionalism by adapting it to the study of regional integration with particular reference to Europe. It has since become the most popular mode of explanation of regional integration schemes also because it took on board the agenda of the behaviourists. The early neo-functionalists talked about four process mechanisms that follow the creation of a common market to which another three were added later (4). While the stagnation of integration in Europe led to a questioning of the assumptions of neo-functionalism, especially in respect of the end product of integration, the advent of ”1992” has again elicited interest in it (Mikkelsen 1991) (5).

Haas says:

Neo-functional theorizing is consistently phenomenological; it avoids normative assertion and systemic generalization. Neo-functionalism stresses the instrumental motives of actors; it looks for the
adaptability of elites in line with specialization of roles; neo-functionalism takes self-interest for granted and relies on it for delineating actor perceptions. Moreover, neo-functionalists rely on the primacy of incremental decision-making over grand designs, arguing that most political actors are incapable of long-range purposive behaviour because they stumble from one set of decisions into the next as a result of not having been able to foresee many of the implications and consequences of the earlier decisions (1971, p.23).

Unlike federalism and functionalism, neo-functionalism is an approach limited only to regional integration. On this count it came under attack from Mitrany (1966) who, concerned as he was with peace, feared that European unity would recreate the deleterious effect of nationalism on an even larger scale. The neo-functionalist argument is summed up by Harrison:

The neo-functionalist argument is that when certain sectors of the life of sovereign states are integrated by being brought under joint control, a process can be set in motion in which organized interest groups and political parties tend to become involved. To involve groups and parties, the sector chosen must be important and controversial, but not so controversial that the vital interests of the states are immediately affected, nor so that political elites feel that their power and vested interests are seriously threatened. The integrative step itself should be inherently expansive. That is, the joint activity will be larger than the sum of the original independent activities if possible. It should involve some sacrifice and some disruption of the existing activities. Strains and distortions may well be felt in other sectors. These effects will give rise to a need, and consequently, a demand, for remedies. The remedies could well be measures of further integration which extend the scope of central decision making" (1974 p.76).

How does neo-functionalism differ from the older version? Inis Claude writes: "Whereas "classical" functionalism relies upon the cooperative pursuit of common interests in non-political fields to generate
political changes conducive to peace, neo-functionalism stresses the utility of such enterprises as elements in a programme of political engineering, as contributions to the realization of political designs" (Claude, Jr. 1970: p.382). Further, the neo-functionalists differ from the functionalists in that the former reject the latter's assumption that the performance of welfare tasks is essentially non-controversial and can be insulated from political conflict (Hodges, 1978, p.246). The demands for change and integration will be expressed by the pressure groups who hold the key to the development of a transnational ideology (Haas, 1958). As integration progresses, the neo-functionalists expected a shift in loyalties to the new centre which is called spillover effect. Thus, gradually, integration will spillover into the politically sensitive areas leading finally to the creation of a political community. This process need not have the support of all classes of people. Unlike functionalism, neo-functionalist theory recognizes that central supranational institutions with policy making powers have a central role to play in the promotion of integration. In doing so, the neo-functionalists have reckoned governmental and quasi governmental efforts and leadership towards integration may be necessary. The neo-functionalists, as Harrison says, believe that the candidates for integration are usually complex pluralist societies in which the government is the focus of group conflict, providing the procedures for its resolution, and thereby, maintaining the existing consensus on the
value of those procedures. (1974, p. 81). It is spillover which is the motor or dynamics of integration in as much as the realization of the original goals that prompted the first integrative step can be assured only if a chain process of further expansion of integrative actions is taken (Lindberg, 1963, p. 10). Any measure of integration is likely to be, to some degree, reallocative, benefiting some states or groups more than others and this reallocative pattern is difficult to predict (Harrison, 1974 p. 82).

In historical terms, neo-functionalism was an "amalgam of federalism and functionalism" (Pentland, 1973 p. 113). While, neo-functionalists agree with the functionalists that integration is an incremental process where the performance of social and technical tasks by international organization will erode the sovereignty of individual states, there are vital differences in respect of the very process of integration itself. Neo-functionalism has close affinities with the field of comparative politics in regard to the concepts and seem to have looked upon the integrative process as one of creating regional political systems, a point for which it is indebted to David Easton (Pentland, 1973, p. 114). Systemic explanations, unlike pluralist and functional ones, seem to be not ready to recognize the discontinuity between national and international systems. For them wherever there are conflict and decision making processes, there is a system. This is a deliberate
strategy according to Pentland (1973, p.115). "Accordingly, political integration is seen as a process of political development whereby this system acquires something like the capacities of a modern state for the formulation and execution of collective decisions" (p.116). They lay a lot of emphasis on the ability of the regional central institutions to represent the common interests of the constituting states and perform a mediatory function as well as a conflict regulatory one should conflicts arise. They may also sustain the system. In other words, neo-functionalism believes in a positive role for bureaucracy and likewise assigns to the central institutions the task of engineering the political community (Pentland, 1973 p.118). Haas (1958) conceived of the idea of spillover as embracing the socio-economic categories of the functionalists and the political variables that they ignored in their quest for technical automaticity. Neo-functionalists recognize that the idea of spillover need not have any linearity about it other than being a useful organizing concept, which is a dilution of the notion of spillover according to Pentland (1973, p.119). Neo-functionalists have been primarily concerned with the conditions producing incremental progress and have identified categories such as the existence of a system-wide bureaucratic elite, interdependent socio-economic structures, commitment on the part of the members to long-term goals and a kind of cultural and ideological consensus (Pentland, 1973 p.120). That the neo-functionalists stressed the existence of
some sort of elite interaction as a prerequisite is amply clear, and as a corollary of that, it is assumed that integration is a business of the elites and participation of the masses is not an issue at all (Pentland, 1973 p.121).

In the original neo-functionalist model the important actors are integrationist technocrats and various interest groups. They relied on what Nye(1971b,p.198) calls "integration by stealth" and popular ignorance was seen as playing a positive role. Although the neo-functionalist tenor is present, the approach of Nye appears to be more sophisticated(6).

Following Haas, Etzioni also talks of spillover. He ranks spillover emanating from economic unions to be the highest as economic integration affects all groups. Etzioni also talked about take off, a term which used to denote that the regional integration scheme has reached a stage to pull on its own without being propped by external powers (1965, p.51). The integration of the EC which is often held by the neo-functionalists as the test case of their theory has always been sporadic rather than continuous. While interest in neo-functionalism has been recently rekindled thanks to "1992", there are increasing strains as has been demonstrated by the Danish public voting against the Maastricht treaty— the most recent significant step toward integration which only reinforces Nye's(1968) suggestion that the success of an integrative
step can act as a source of stress among a group of states and raise barriers to integration.

2.5. Background conditions

Deutsch, in his study (1954), came to the conclusion that different conditions merit different strategies of integration. The neo-functionalist contention was that the advanced industrial pluralist democracies are the best candidates for integration. Thus they are not ready to universalize their findings. But there is also a subtle prescription that in fact this is the only possible way forward. The neo-functionalist concern with identification of the background conditions is in the tradition of Deutsch who propounded his idea of a "security community", either "amalgamated" or "pluralist" (Harrison, 1974, p.100). Mitrany did not consider the structural properties either promoting or hindering integration. For example, Mitrany dismissed such factors as inequality in the world system acting as an impediment believing that considerations of service will triumph over those of prestige and that small states would accept the leadership of the larger ones for functional ends as they did in war time alliances (Harrison, 1974, p.96).

That the neo-functionalsists themselves were baffled with rapidly changing developments within Europe as well as in other areas of the globe which attempted
integration is best reflected in the writings of none other than Haas. Initially, Haas had imagined that integration would lead to the creation of a new political community superimposed over the previous ones (1958, p.16) which has almost federalist overtones. If political community was initially seen by Haas as a terminal condition, there is marked change in his subsequent contributions. Writing in 1961 this terminal condition of political community is no longer made explicit as Haas had tried to grapple with other schemes of integration and in his contribution with Schmitter (1964) he modified it to say that political union implies a situation in which nation-states cease to act as autonomous decision-making mechanisms in respect of a broad range of policies which loses much of the supranational statist images that he presented earlier. If the neo-functionalists are unable to agree as to what the dependent variable is as Haas tells us, then, it is better to start on a modest scale. The same vacuousness exists in the analysis of Lindberg which uses a systemic framework. Obviously, the neo-functionalist euphoria stemmed from the early successes of the European Community (Pentland, 1973 p.106). And, it is not a very uncommon fault among social scientists to theorize on the basis of phenomena which have just arisen regardless of whether it is a passing affair or not. Pentland (1973, p.107) says that the neo-functionalist goal is undefined. The neo-functionalists say that some matters are more political than others in that they can be greater potential sources for conflict.
and controversy which means that they take a process-based or behavioral view of politics which differs from the pluralist as well as the functionalist view of politics as a matter of substance, one involving power, defence and foreign affairs. This process-based view of integration suits well the requirements of the neofunctionalist theory of incremental growth based on "spill over". Yet, there is no evidence to suggest that incremental integration from economic activities to political ones will follow in an automatic fashion even though it may be rational and pragmatic. It is here that the quality of political relations between states plays a determining role. Haas (1967, p.328) says: "Pragmatic interests, simply because they are pragmatic and not reinforced with deep ideological or philosophical commitment, are ephemeral. Just because they are weakly held they can be readily scrapped. And a political process which is built and projected from pragmatic interests, is bound to be a frail process, susceptible to reversal". Seven years have passed since the South Asian Association for Regional Cooperation was inaugurated and there is absolutely no evidence to suggest that the neo-functional ideas have worked in South Asia.

2.6. Critique of Neo-functionalism

Obviously neo-functionalism has been subjected to much criticism although a substantial part of it was done in the form of self-criticism following contrary
developments in Europe which created doubts about the validity of the notion of "spill-over". As early as 1967 Haas stated that neo-functionalism discounted the role of the dramatic political actors like De Gaulle. Neo-functionalism also failed to make a distinction between processes which promote positive and negative integration (Pinder 1969), and it also failed to differentiate between "high" or "low" politics although there is no gainsaying that there is no permanence in these categories. Stanley Hoffmann (1966) said that areas of "high politics" are guided by the logic of diversity unlike the areas of "low politics" where the integration process is strong and no automatic spill-over from the latter area to the former one is possible. Further, it failed to take into consideration the role of the international environment in the process of integration. For example, the role of the US has been quite crucial in either promoting or dampening regional cooperation measures. The inherent deterministic undertones of neo-functionalism shuddered when the European process reached a plateau in the sixties when the expected automaticity of incrementalism actually did not occur. Even the most recent expansion of the EC came more as a political act than as the result of incrementalism. While functionalism tends to be directed towards the role and potential of international institutions, the emergence of the notion of interdependence and regimes with a less centralized and institutionalized vision has stood in the way of the orderly march of functional thinking. Neo-
functionalism, even as it brought in elements of politics, could not surpass the apparently liberal roots in which it was steeped, a point which it shared with functionalism. They are at bottom like the functionalists, believers in the growth of ultimate stability with the growth of bureaucratic polity (Pentland, 1973, p. 111).

While the neo-functionalist theorists and the interdependence theorists share many ideas in common like the importance of non-governmental actors and the saliency of nonmilitary issues, the latter have a broader problematique than the former who are confined to regionalism. In fact, it is correct to say that the latter tend to integrate integration theory into general international theory (Keohane and Nye, 1975), a point which has been finally acknowledged and advocated by Haas (1975) following his disillusionment with neo-functionalism. Overtaken by the interdependence school, who unlike the neo-functionalists stressed the voluntariness of the process of integration, neo-functionalism stagnated thereafter until recently. It is said that a more complex explanation requiring the identification of the constraints to such voluntary cooperation may be necessary (Nau, 1979, p. 140). Further, unlike integration theory which posited a hierarchy of issues, interdependence theory treated all issues as important. Furthermore, integration theory deemphasized relatively the role of global and national compared to regional factors. As with game theory, it is correct to
agree with Nau (1979, p.142) that "Integration studies never sought to explain the original decision to establish the Common Market", only emphasis was given to its subsequent growth, stagnation or decline. Integration studies neglected strategic relations, transnational actors and the almost encompassing national governments.

2.7. Transactionalists

The approach of Deutsch and his associates seem to be aimed at the creation of "security communities" where war is no longer a legitimate means of conflict resolution. Unlike the neo-functionalists who have a penchant for institutions and the end product of integration, Deutsch locates communication as the key to the creation of "security communities". He finds evidence of integration in the extent of trade, movement of population, cultural exchange, political consultations, media interaction and consumption, volume of mail, tourism and so on. However, the communications approach does not tell us about the content of messages transacted. If there is enhanced communication, it automatically implies that there is increased potential for community building which is not true. For the transactionists all transactions seem to be having the same value. In contrast, the neo-functionalists tend to say that the welfare-related or foreign or defence policy related transactions are more salient (Haas, 1971, p.24). Further, more than the actual content of those messages
one may, taking a behavioural view of the processes say that it is the perception of the communication that matters. For the neo-functionalists, it is the perception of present and future benefits that matters for regional integration.

Federalism is a suitable strategy for the final stages of integration according to Hodges and is more an ideal type (1978, p. 241). Deutsch who began with an extension of the communicational model that he had developed in the context of national societies (1953) to the international realm went on to emphasize transactions as the measure of integration and identification of the process of integration (national, regional and international). Obviously, Deutsch did not talk about a supranational state. He was concerned with procedures for peaceful change and the framework worked out could be either an "amalgamated security community" in which two or three independent states have a common government or a "pluralist security community" in which nations retain their legal independence. That increased communication also can lead to conflict is a theme which has not been adequately examined although the transactionalists will interpret it more as system failure.

In terms of the transaction model of Deutsch, the level of interdependence between states within a region will be interpreted as the measurement of the level of integration. High volume of transactions among the
countries of the region accompanied by the reduced saliency of such level of transactions with the outside world (Hodges, 1978, p.245), is thus a clear case of community formation. Hodges (1978, p.245) says that the transactionalists pay more attention to the symptoms of integration than its causes, that is the motivating factors, a point on which the neo-functionalists score much better. Again while transactionalist flows may reflect regional integration, it cannot be used to explain what causes integration, and also the growth and decay of further integration (Puchala, 1971, p.158).

2.8. Regimes: Much Ado About Nothing?

Although the concept of regimes is rooted in the same liberal fascination for institutions, perhaps of a more flexible kind as reflected in the meaning given by Krasner (1983)(7), at least in the writings of some of the neo-realists, it boils down to advocacy of hegemonic leadership for international cooperation (cf. Kindleberger, 1981; Keohane 1980). While regime theory can be categorized as broadly falling under the label of integration theory, it is also a theory about an emerging world system in which the constraints imposed by the existence of sovereign states are sought to be overcome through some form of an international authority. One of the central themes of the hegemonic stability theorists is that order in world politics is created by a single dominant power and international regimes which are
constituting elements of world order are the creation of a hegemon in normal circumstances. Hence, it follows that a continued hegemony is vital for the preservation of order. Unlike traditional realists, Keohane (1984) argues that this need not be so. Once regimes have been established, even if the hegemon declines, they can be maintained. Keohane (1984) argues for post-hegemonic cooperation by strengthening regimes (many of which have been created during the US hegemonic era) by taking account of the emerging pluralist power structure.

The international regimes hypothesis says that regimes are functional entities promoting cooperation in as much as they make the effects of anarchy less severe by reducing incentives for violating principles of cooperation. To say that regimes promote cooperation is in one sense tautological in as much as regimes themselves are the results of past acts of cooperation. While the idea of regimes takes for granted the increasing interdependence among nations, there is nothing in it to suggest that such interdependence can lead, on many occasions, to conflict rather than cooperation. Regime literature, moreover, has not reckoned with the theme of power, its distribution at the international level and its transformation in the formation of regimes. Regimes can also lessen transaction costs by reducing the number of actors involved as argued by Grieco (1990) who says that the existence of the EC within the GATT lowers transaction costs by reducing the
number of actors. The need for balanced regimes is obvious. Behind its supposed value neutrality and flexibility, the concept of regimes, by virtue of its ahistoricity and static nature, hides a sophisticated defence of the predominantly capitalist world system. Further, as a theory of institutionalization, it cannot claim any greater clarity compared to the theories that we already have. The concept of regimes is alleged to result in "intellectual chaos" and resemble a situation in which individuals engage in the futile exercise of spinning the wheel without producing any yarn, or perhaps reinventing the wheel itself.

Keohane says that "regimes" are not always created voluntarily. But they may have to be consented to because of the constraints dictated by environmental bias as well as other factors like the decision of a powerful actor. This means, they can be imposed. "Relationships of power and dependence in world politics will therefore be important determinants of the characteristics of international regimes. Actors' choices will be constrained in such a way that the preferences of the most powerful actors will be accorded the greatest weight. Thus, in applying rational choice theory to the formation and maintenance of international regimes, we have to be continually sensitive to the structural context within which agreements are made. Voluntary choice does not mean equality of situation; in explaining outcomes, prior constraints may be more important than
the process of choice itself" (Keohane, 1984, p.72). Keohane calls for the use of rational choice theory in a more sophisticated way by reckoning also with the constraints imposed by power disparities (p.72). He says that international regimes may be valuable to their creators, but there is no intrinsic good about them as they need not lead to world welfare (p.73).

The neo-realist idea of regimes resembles institutions. It is neo-realist because these regimes are ways out in a situation where states act purely on the basis of self-interest. Keohane (1984) thinks that post-US hegemonic cooperation should be built around institutions and the extent to which international cooperation takes place will depend on the extent to which states are willing to take advantage of the existing regimes to move forward. "On the basis of the morality of states, genuinely voluntary cooperation among states is easy to justify. The primary value from the standpoint of this doctrine is state autonomy. Since international regimes help states to pursue their interests through cooperation, but without centralized enforcement of rules, an adherent of the doctrine of the morality of states would hold a strong presumption in their favour. The only serious issue would be to establish that a given regime was indeed formed on the basis of voluntary agreement and maintained through voluntary compliance." (Keohane, 1984, p.248).
Apart from the ethnocentricism of the concept of regimes (which has an almost exclusively American focus), one may also take on board the criticism that regime analysis is biased towards the maintenance of order as opposed to justice. Here order in practice often means order as understood by the hegemon. Other groups may benefit from hegemonic regimes only to the extent that the interests of the hegemon overlap with other group interests. Yet, there is no reason to believe that all the regimes in operation now are always hegemonic as international institutions can also become vehicles for the articulation of counterhegemonic set of values. Although regime theory arose within a framework of complex interdependence as opposed to the realist notion of anarchy, it has not moved away from its state-centred moorings. While the idea of "norm governed behaviour" was a throwback of the idealist tradition in international relations, the regime theorists have emphasized the state as the key actor and regimes accordingly are seen as serving the state interest. Regime based analysis has not considered the case for a non-state based framework of international relations. Further, if regimes are seen as some sort of policy coordinating mechanism between nation-states, and have a pluralist basis, their value as a concept can be better appreciated. Further, if regimes are divested of their exclusively statist orientation and actors other than the state are introduced into a discussion on an emerging internationalization of authority, not only does it
better reflect the changed reality of the late twentieth century, but would also look attractive from the normative point of view that this work seeks to uphold. But the tall claim that future modes of international cooperation or the internationalization of authority invariably will take place along the lines stated by the regime theorists certainly needs to be toned down. From a critical point of view one may see in the discourse on regimes a veiled yet persuasively articulated preference for a capitalist world order based on the continuation of the US hegemony. It should be noted that international regimes are extensions of the prevailing structures of power. While regimes are examples of international cooperation and do in fact facilitate cooperation, cooperation can take place in the absence of established regimes. It is also necessary to remind the regime theorists drawing on Susan Strange's work (1983) that there are more areas and issues of nonagreement and controversy than there are areas of agreement.

2.9. Rational Choice Explanations.

The last decade saw a spurt in international systemic explanations of cooperation and a revived interest in game theory especially the model of prisoners dilemma (Milner, 1992). Can there be low levels of cooperation which are Pareto-optimal? ‘Game theory and discussions of collective action emphasize that rational individuals who would all benefit from cooperating may
nevertheless be unable to do so. For one reason or another, they may fail to coordinate their actions to reach the desired position. Even if they are rational as individuals, the group of which they are part will not necessarily behave as a rational actor..." (Keohane, 1984, p.65). There is also strong resemblance between functional suppositions and game theory dominated ideas of cooperation. It is claimed that one of the major contributions of game theoretic explanations was a definition of cooperation that saw it as a mutual adjustment in real or anticipated terms with an eye on preventing negative consequences on other participating states. It is also observed that cooperation is goal directed, based on mutual gain and self-interest rather than altruism (Keohane 1984; Axelrod 1984; Axelrod and Keohane 1985). Ashley (1988) finds the idea of cooperation as elaborated by the neo-realists and the rational choice theorists very narrow. He says that in their view cooperation is "an instrumentalist relation" and it "does not embrace the question of the social coproduction of the conditions and subjects of political interaction" (p.236). Their narrow understanding of cooperation is necessitated by "the understanding of the state as a singular decision-making agency having a unique set of already invested competencies and already formed interests" (p.236).

One important form of cooperation, as we mentioned earlier, is an imposed one, a hegemonic cooperation. The
issue of mutual gain need not be equal in cooperation as far as the definition is silent on this theme. "Indeed the more asymmetric the power relationship, the more unequal the distribution of gains is likely to be" (Milner, 1992, p.470).

Axelrod (1984), in his advocacy of TIT FOR TAT in situations of prisoners dilemma (PD), assumes that states cooperate to gain absolute gains, which cooperation is guided purely by an economic or utilitarian logic. Accordingly, through the exercise of sanctions in an iterated PD game, a defector can be made to feel the pinch of his actions. But a neo-realist like Grieco (1988, 1990) refutes this idea of absolute gains and says that states are motivated by relative gains. This is indeed true. There are several situations in which issues of prestige and status associated with decision-making in many states demand preoccupation with relative gains. This means the zero sumness of the game, at least at the subjective level, continues to weigh in the calculations of governments.

Keohane, even as he says that the theory of rational choice in its proper form has a rationale for the advanced market economies, points out its weakness. He says that as an ideal type in the Weberian sense, it is allright and perhaps also as a heuristic device. But, because it creates an abstract and unreal world for analysis, it cannot be mechanically applied to world
politics. Its flaws stem from its unadulterated belief that the behaviour of actors is voluntary which thus fails to take cognizance of the asymmetries in power which have their inherent imperatives. Secondly, it has tended to equate egoism and atomistic individualism as the rule in society which is not true. Thirdly, it has not made a clear distinction between rationality and egoism which makes it confusing. (Keohane, 1984, p.70). Further, moral and political obligations are not treated. I must add that the major criticism that can be levelled against rational choice theory is its excessive rootedness in economic rationale. Axelrod’s strategy for cooperation is based on monolithic assumptions about the rationality of actors. In doing so, he does not take into consideration the plurality of interests of a conflicting nature in operation in the calculations of states and in the decision making structures. In a situation like the one in South Asia, cooperation by an actor may be interpreted as weakness which may mean the creation of popular cognitive dissonance and regime discredit nationally. This is so because issues of prestige and honour, however complex they may be, are more important from the point of view of the governments in power than shrewd economic judgement in many Third World countries. Further, an apparent act of cooperation, instead of being interpreted as such, may be misinterpreted as demonstrated by India’s rejection of Zia’s proposal of a No War Pact with Pakistan(10). These theories also assume that cooperation has a better chance when the number of
actors is small. That game theoretic explanations have a two person concentration and they flounder when more persons are introduced is now well recognized. But the chance of side payment is more if there are more players and probably, it may also lead to greater balance, a point argued by J D Sethi (1983) in the South Asian context. The size of the actors also is a point on which the integrationists tend to differ. According to Snidal (1991, p.716), "more actors enhance the possibilities of protecting oneself through forming coalitions and generally, the less well united one's enemies, the safer one is". Next, there is the issue of the size of the units. Russett (1967, p.21) tells us that there is no convincing evidence to suggest that prospective members of a new unit should be of the same size.

Rational choice analysis presumes that actors are isolated individuals without any societal roots, that the players are possessive individuals in a single play prisoners dilemma, which is not always true. If, as it were, the criminals are members of a mafia, neither may confess because of the fact that they are part of an organization betraying which may elicit reprisals even if they are released. Another problem relates to the considerations of ethics in the minds of the players which is in rational choice parlance an act of irrationality. So in itself, the logic of rational choice has an empirical emptiness which can be remedied only if
assumptions related to power, sociality and values are recognized (Keohane, 1984, p.74-75).

The approach to cooperation based on power especially hegemonic stability theory states that the stronger actors have a greater role in organizing a regional system or in the creation of regional regimes, with its malign and crude form taking a position of dominance and extraction and the benign one taking a position of generous patronage. In her review of the recent literature on international cooperation Milner (1992) has found many inadequacies. Consider the way in which the assumptions of anarchy are formulated. They do not examine the constraints. Further, states prevent others from achieving advances in their relative capabilities, and for commentators like Grieco, the factor of relative gains is a constant (Milner, 1992, p.485). Milner says that the addition of either issues or actors or both "reduces the difficulty of cooperation" (p.485). The payoff matrix which stipulates the costs and benefits that a state would receive from a particular outcome is actually simply assumed or arbitrarily determined in game theory. Game theory like functionalism fails to account as to what motivates the players to cooperate. Functional explanations account for causes in terms of their effects and here also it is like rational choice theory. The ability to cooperate when it is considered as desirable by governments will depend on existing patterns of regimes. The creation of new regimes

The iteration hypothesis of PD game is often advanced to make the countries conscious of the shadow of the future, that is, they will have to interact indefinitely. The more the players are conscious of the future, the more possibilities of cooperation and vice versa. Axelrod (1984) says that iteration will lead to cooperation, but it all depends on what the game is. Very often in international relations the game may be more like "chicken" where issues of prestige, loss of face etc., are crucial considerations in the minds of the players.

It has been argued by Peter Haas (1990) that "epistemic communities" play a crucial role in advancing cooperation. He complains that game-theoretic and rational choice explanations have neglected the role of ideas in promoting cooperation. In his thinking, epistemic communities are "transnational networks of knowledge-based communities that are both politically empowered through their claims to exercise authoritative knowledge and motivated by shared causal and principled beliefs" (1990, p. 349). The role of an epistemic community resembles the role of a regime with the former also...
providing expert information which may facilitate an agreement. "The strength of cooperative arrangements will be determined by the domestic power amassed by members of the epistemic community within their respective governments" (Peter Haas, quoted in Milner, 1992).

2.10. Political Economy Perspective

The literature on economic integration can be said to be divided into two broad categories. First there is the theoretical and analytical tradition rooted in the neoclassical micro economic theory and the Keynesian or monetarist macro-economic tradition both of which are purely concerned with the consequences of integration. In this scheme integration is seen in terms of the creation of free trade areas, customs unions etc which involve tariff agreements, the facilitation of factor movements and varying degrees of coordination in economic policy with its highest form being economic union. This means that there is the possibility of a variety of integration arrangements in the context of the typology of Bela Balassa outlined in 1961 with free trade area at the lowest end progressing through customs union, common market to finally, economic integration. The second category of literature is of a historical and descriptive nature and it primarily deals with the facts and problems of integration considering integration itself as an end. The relative effects on member countries receive attention. It has a more empirical
content about it. It has been contended that traditional integration theory is mainly concerned with the effects of economic integration (Haack, 1984, p.367). In its traditional form as propounded by Viner (1950) in his Customs union theory, there should be trade creation and trade diversion both of which contribute to Pareto optimality. Although the total income may increase as a result of customs union, the increase may be only in some or a single member country. (Haack, 1984, p.368). Again, integration is expected to lead to the fulfilment of the macro-economic goals as set out by the government in terms of employment balance of payments position, inflation etc. National economic priorities may conflict with any macro coordination of the economic policies at the supra national level especially on matters related to fiscal and monetary policy.

In structural and dynamic respects integration theory is much less developed thanks to the resistance it offers in view of its rootedness in neo-classical general equilibrium theory. The effect of integration on the real income distribution also is not accounted for although the distribution of gains between countries receives some amount of attention. It is in this context that a neo-Marxian analysis can be placed. It was only in the seventies that neo-Marxist and other critical theorists looked at the process of integration. The common denominator in Marxist integration theories is invariably the Marxian theory of social development in which class
conflicts are centrally placed. There are two notions of Marxism that are crucial here. First is the idea of capital which is derived from a social relationship characterized by the exploitation of labour by the capitalists. So any analysis in terms of countries is inadequate. Class has to figure prominently in the analysis. Because the purpose of capital is profit creation, it inevitably leads to competition and advancement of technology. Because there are asymmetries even within capitalism, the process of competition can only lead to the creation of monopolistic market structures. So international integration is part of the process of the internationalization of capital. A second important notion of Marxism in integration is concerned with the nature of the state, that is the class character of the state (Haack, 1984, p.375). The original Marxist notion of the state is that it is dominated by the interests of capital as though there is a common interest of different capital which is now looked upon as not true. So the state is actually the field where the different and conflicting interests of capital are fought. Again, the fundamental conflict between capital and labour is reflected in the state also whose policies also reflect the outcome of the conflict (13). Again, state actions and policies cannot always be traced to economic factors. There are political and ideological factors of a relatively autonomous nature in operation (p.376). The European experiment has shown that the national state is not curtailed in any
significant way. (p. 380). According to most Marxists one defect that comes to mind in European Integration is that while one region gets richer, the others get poorer. While some firms gain others loose. Those who gain will be the big ones. Because of these difficulties, the problems for integration are not incidental but structural in nature. The common blame of lack of political will only hides the real difficulties. Integration will only accentuate the conflicts within capitalism and to that extent it is progressive. In Marxist integration theory, given its characteristic materialist interpretation of history, the political forces promoting integration are either absent or are nebulous. Further, Marxist integration theory stresses conflict by saying that it is not capital in general that benefits from integration but certain sections of capital. Between governments there is rivalry to influence the integration process and to get the best out of it. The effects of integration are likely to increase regional and structural imbalances especially on different classes, groups and sectors within countries. (p. 382).

Should integration theory concentrate on effects only as is done in traditional theory or on the causes on which Marxist theories concentrate? The original move of European integration was seen by Leftist scholars as a bulwark for capitalism against the USSR although it later came to assume the character of an undeclared challenge.
to the US and an assertion of European regionalism. The Marxist scholars stress the lack of attention to social and economic justice in the activities of the EC with the common agricultural policy helping the larger farmers and the overall growth in bureaucratic structures and the dominance of technocrats with no social accountability (Holland, 1980). Nabudere (1977, p.155) says: "There is no doubt that the common market of Europe was a reactionary set-up aimed against socialism in Europe, national liberation in the colonies and general United States superiority. There can also be no doubt that it was a temporary agreement of European capitalists against workers of Europe and the workers and peasants of the colonial and neo-colonial world". Brucan (1978, p.80) makes a sweeping statement when he says that all institutionalized procedures are in class interest, in the interest of the capitalist classes.

Cocks (1980) says that the orthodox integration theory is ahistorical and he seeks to understand it as history. He says that the integration theorists "avoided the questions of whether integration is qualitatively different in different socio-economic formations, why it emerges at some historical periods and not others, and what the connection is between different levels of integration in distinct social systems. In fact, they gave no indication of the dynamic that connects or disconnects past and present cases of unification" (p.2). Cocks thinks that regional integration in Europe has to
be visualized as a "distinct capitalist phenomenon" (p.3). He thinks that integration evolved as a policy in response to certain problems endemic to capitalism by serving two critical state functions of providing political infrastructure for the expansion of productive forces in proto-capitalist and capitalist societies and as an appropriate means for legitimating the power necessary to maintain the social relations in these societies (p.4). In sum he says that political and economic integration are methods of providing the institutional conditions for the expansion of capital while social integration is a process of legitimating the new institutions (p.14). In as much as European integration is a regional component in the post-war reconstruction of capitalism, it was a conscious and political effort and not purely economic as it is believed to be. Such structural explanations also find adequate expression in writings of peace researcher Johan Galtung who saw the community as a super power in the making, performing the same function of imperialism at an earlier phase when the Western nations competed for spheres of influence all over the world (Galtung, 1972).

2.11. Conclusion

The discussion has revealed the extremely complex nature of integration which, in view of its complexity, also offers resistance to parsimonious theorising. It is in this context that purely systemic explanations will
have to be avoided. Milner (1992) came to the conclusion that theories of cooperation should stress the role of the domestic and political factors. She says: "When domestic factors are introduced into the argument, not only may the predicted effects of reciprocity, iteration and number of actors fail to materialize, but the very opposite effects may manifest themselves" (p.493). So for her "domestic politics are essential to understanding international cooperation" and in order to understand domestic theories from which alone the biggest contributions to understanding international cooperation can come, it is necessary to effect a marriage between comparative politics and international politics. This means a reliance on the domestic theories of politics, either pluralist, elite, institutionalist and Marxist theory (pp.494-96). Even Haas (1971, p.25) did admit that the neo-functional and communications theories have neither been falsified nor have they demonstrated positive predictive prowess outside Western Europe which incidentally only questions the value of many so-called "middle-range" theories of integration. Haas (1971) even said that mutual interdependence and dependence on regional core areas only promotes forces of disintegration rather than integration. Any explanation of regional cooperation must include structural and predispositional variables. Concentrating on some to the neglect of others can only provide us with superficial explanations. It may be that the process promoting or deterring integration in various regions is specific to
them and any attempt at universalization is fraught with difficulties. Regional integration is not a linear process. It is a dialectical process in which there is an incessant battle between forces of integration and disintegration and in order to grapple with them, we may have to return to the clash of interests taking place within the national realms. At the same time we should understand the world systemic forces at work which either facilitate or impede meaningful integration. One of the strengths of many of the political economic perspectives is that they carry with them an explanatory as well as an emancipatory agenda. Our discussion has revealed the ethnocentric nature of the liberal theories of regional integration and their subtle defence of the capitalist mode of development and reasoning which refuses to accommodate emancipatory categories. Such a model may not be ideal in Third World settings where the emancipatory agenda should be at the forefront of attempts at forging regional cooperation.

Notes

1. Taylor(1975)says that Mitrany's functionalism bears a strong resemblance to Deutsch's transactional approach in that both emphasize the importance of categories like social consensus rather than the management of contending interests in society with the latter taking a more descriptive and the former taking a more prescriptive approach(p.xv). Taylor calls Functionalism an alternative to the power-political approach and also sees it as a precursor to John Burton's cobweb imagery of world society(xvii). Further, like the literature on
transnationalism, it gives a lot of importance to the role of non-governmental organizations. It has also resemblance with Rosenau’s linkage politics according to him (p.xviii). Functionalism departs from political realism and its economic version, economic nationalism. This implies that human beings are rational in their calculations and that this will help engender functional arrangements. This instrumental view of institutions, as it were, is a characteristic feature of liberalism which also reduces rational logic ultimately to instrumental categories.

2. By proposing an engineered withering away of the nation-state the functionalists assert the superiority of the society over the state whose development over the former is seen as instrumental for the engendering of the omnipotent state in the twentieth century which has an echo of the socialist tradition, according to Pentland (1973, p.81). Functionalists hold that societies have an inherent tendency to come together and cooperate unlike states which are guided by parochial tendencies. So the raising of public opinion is one of the functional strategies which will have relevance only in those regions where such a thing exists or has developed (Pentland, 1973, p.82).

3. Chadwick Alger (1977) is all praise for functionalism which he says has enriched the study of international organizations by drawing our attention to the national and transnational contexts out of which international organizations arise, by directing our attention to "processes of organizational growth across time", by presenting a socio-economic alternative to the military approach to war and peace, by concentrating on more manageable regional research than on grand schemes, and by enabling the use of a variety of bodies of social science knowledge.

4. They are inherent functional linkage of tasks, increasing transactions, deliberate linkages or coalitions, the rise of economic pressure groups including regional ones, involvement of external actors, intensification of regional identity and elite socialization along regional lines (Nye, 1971b, p.199).

5. One of the contributions of functionalism relates to the provision of certain useful terms to depict certain processes. For example, there are terms like "encapsulation", "spill-over", "spill-around" and "spill-back". Likewise, there are others like "building up", "retrench" and "muddle about". Encapsulation refers to a stage in which the integration process fails to move forward but is less harmful than disintegration. Spill-over means to increase the scope and level of an actor's commitment to integration. Spill-around means to increase only the scope holding the level of authority constant. Spill-back means retreat on both dimensions possibly returning to the status quo ante initiation of the
integration scheme. Building up means to agree to increase the decisional autonomy or capacity of joint institutions but deny them entrance into new issue areas. Retrench means to increase the level of joint deliberations but withdraw the institutions from certain areas. Muddle about means to let bureaucrats debate, suggest and so on, on a wider variety of issues but decrease their actual capacity to effect any of them (Schmitter, 1971 pp.240-243).

6. There are 3 perceptional conditions according to Nye which are crucial to integration. The first relates to the equity of distribution of benefits which does not stand automatically for the structurally loaded term of symmetry. Secondly, perceptions of external cogency, that is, the way the decision-makers perceive the nature of their external situation and the manner in which they respond to it. Thirdly, the low visible costs involved in the integration scheme especially in the initial stages or the possibility of exporting costs by seeking external help. (1971b, p.215-16).

7. Krasner's definition which is often identified as a consensual definition considers regimes as "sets of implicit or explicit principles, norms, rules and decision-making procedures around which actors' expectations converge in a given area of international relations" (1983, p.2). Although the components of a regime are adequately spelled out, it is difficult to define terms like "norms" and "principles". It also does not tell us under what circumstances regimes emerge or what sort of commitment is necessary. There are also definitions which purport to conclude that a regime exists in every issue area of international relations where there is some sort of a patterned behaviour. Haggard and Simmons (1987) consider regimes as multilateral agreements among states which seek to regulate national actions within an issue area. Regimes, in their view, define the range of permissible state actions by outlining explicit injunctions.

8. Advocating a regime approach Keohane says: "First, it simplifies our premises, making deductions clearer. Second, it directs our attention toward the constraints imposed by a system on its actors, since it holds the internal determinants of choice constant. This helps to retain our focus on systemic constraints—whether the result of unequal distributions of power or wealth in the world or of international institutions and practices—rather than on domestic politics. Finally adopting the assumption of rational egoism places the argument of this book on the same foundation as that of the realist theories" (Keohane, 1984, p.29).

9. In prisoners dilemma, as the term indicates, there are two guilty partners in a crime who are being questioned separately. If neither confesses to the crime, they will both receive a sentence of say one or two months in
prison. If both confess, they will both receive a term of one year or so. If one person confesses and the other refuses to confess, the refusing person will be given severe punishment while the person who confessed will be let free. Because the two individuals are self-interested, they will both confess and will receive prison sentences of a year which they could have avoided by cooperating with each other, that is, by refusing to confess to the attorney. But refusal to confess by one with the other confessing to the crime would land the refuser with a heavy penalty and the latter will go scotch free and vice versa. This model simply seeks to illustrate that the rewards for cooperation are greater than the other two options. It is also held that in iterated games, that is, if the game is repeatedly played by the same players, defection in the long run will be unrewarding forcing the players to cooperate. It all depends on the extent to which the players value future rewards or are influenced by the “shadow of the future”. Axelrod (1981 and 1984) says that when future rewards are valued highly, a strategy of TIT FOR TAT is the most ideally stable strategy. TIT FOR TAT strategy begins by cooperating and then thereafter does whatever the other player does, retaliating for defection and continuing to cooperate for cooperation which leads Axelrod to the conclusion that cooperation can take place even among pure egoists. Mixed-motive game as elaborated by Schelling (1960) speaks of the twin facets of competition and partnership in conflict where both the players can benefit by cooperation but each can gain more by defecting when the other actor does not anticipate it. The logic of collective action (Olson Jr. 1965) is also similar to game theory in its basic assumptions.

This theory says that in situations where collective action is necessary, cooperation is necessary to realize a particular value or good so that it will be produced and enjoyed by all the members of a set of actors regardless of whether they have contributed to its provision or not. When each member’s contribution to the cost of the good is small as a proportion of its total cost, self-interested actors are likely to calculate that they are better off without contribution their mite since their contribution is costly to them but has only an imperceptible effect on whether the good is produced, leading to defection by not contributing. In Waltz’s (1979) thinking these two theories actually speak for primacy of the nature of international system as the explanatory variable rather than the internal characteristic of the states. This is not to deny the contributions of game theory which has demonstrated the simple fact that states do not cooperate even when there is a self-interested rationale for cooperation for reasons like perceptual and communicational barriers.

10. There are also several strategies and conceptualizations which have arisen as psychological solutions to conflict reduction like track two diplomacy,
Graduated Reciprocated Initiative in Tension Reduction (Osgood, 1962) and Problem-Solving workshops of Kelman, Burton and so on which are related to game theory and ideas of cooperation in many respects. Apart from game theory, there is the psychological commonplace that GRIT is a useful tool for inducing cooperation. It is true that unilateral initiatives have a learning effect on the other nation. But such unilateral initiatives alone need not elicit any response from the regime in question. It has been argued that Gorbachev's policies actually provide an example of the application of GRIT. It is equally correct to say that domestic problems played a more contributory role than unilateral initiatives. Like all theories having a purely psychological origin, GRIT also fails to account for the original reasons for the formation of policies aimed at tension reduction. So the gist of the argument boils down to this. No explanation of cooperation which does not attribute saliency to domestic structural factors is able to explain fully the evolution of cooperation or the constraining of it.

11. If this is true (I believe it is), then we are likely to confront more difficulties for cooperation as admitted by Snidal (1991). Grieco says "Disputes and strains in international institutions, and indeed the outright collapse of international arrangements, may be rooted in their failure to bring about a balanced sharing among the partners of the gains and costs arising from joint action" (Quoted in Milner, 1992). As I had earlier said the assumption of symmetry is one of the pitfalls of game theory also. That exchange and cooperation are often not balanced and symmetric makes it imperative to pay heed to Grieco's advice to give effects to side payments to balance the benefits for relatively weaker parties.

12. The idea of market failure as elaborated by him takes the example of the market for used cars. Used cars, even when they are in very good condition, are offered little money by the prospective buyers because of quality uncertainty. The owners are unwilling to sell them for a paltry sum. This creates a suboptimal market condition which is not due to the irrationality of the actors but due to a structural fault, the absence of institutions like reputed dealers who are there to act as mediators between buyers and sellers of used cars. (P.82-83).

13. Now, this type of argument is common also in Comparative Politics. The value complementarity among elites and the creation of a consociational model has been often seen as an integration mechanism in many pluralist national societies. This is based on a notion of the elite theory of democracy (See, Lijphardt, ). The only difference in Haas' conception is that the elites are reservoirs of knowledge, which is in keeping with the typical liberal tradition of technically minded people handling everything provided they are given the power and resources.
14. Although Marx and Engels were not so concerned with the theory of international trade, it was Lenin who tried to comprehend some of these phenomena in the twentieth century under the label of imperialism. The idea of European integration as the result of the expansion of European business was put forward by the Belgian Marxist economist Ernest Mandel. It was not well received by others. Although there is no total agreement among the Marxist scholars, they all agree on one count, that is, European integration in Western Europe is to be explained by the development of capitalism as a whole (Haack, 1984, p. 377). Some say that it is due to internal factors like the concentration and centralization of capital in Western Europe. After the war, the expansion of certain firms was constrained by the national barriers. Seen thus, economic integration is the "reaction of the states to the needs of the internationalizing parts of the business community". The second cluster of theories relate to the relations between the main capitalist states characterized by competition and cooperation in which economic and political factors played a role. While some tend to stress the role of the US in the integration process, others tend to stress that integration was meant to check the power of the US and also perhaps to maintain her neo-colonial position vis-a-vis the developing countries (378). Thirdly, there are the East European scholars who argued that integration was the product of the East-West tension as a social defence against communism and also as a collective effort to stall demands from many depressed classes. But integration has not led any way to the containment of cycles of inflation, monetary crisis within national societies.