

Theory and Practice: The European Union through Simulations

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Introduction – International Relations and The European Union

As Gary Marks, Chair of the European Community Studies Association, recently commented, “Studying the European Union asks us to think anew about political science as a discipline and how its subfields fit together.” (Marks, 1997: 1). Indeed, studying the European Union (EU) offers scholars a theoretical challenge: Can European integration and the politics of the EU be best explained by applying the concepts and analytical formulations normally associated with international relations? Or, is the EU better understood through the employment of the techniques, concepts, and analytical tools normally associated with comparative politics? These questions are certainly not new. Scholars have been debating these questions since the 1960’s if not earlier (Singer, 1961), but renewed interest in the debate has demanded that scholars reevaluate their assumptions (Keohane and Milner, 1996). Some scholars have suggested synthesizing the various approaches (Hanrieder, 1967; Isaak, 1980) and even Marks suggests that the two subfields “have little claim to separate status.” (Marks, 1997: 1).

While the theoretical debate is fascinating and presents various dilemmas for scholars of the European Union, a bigger challenge for educators is presenting this debate in such a way that students can understand the complexity and subtleties of the arguments. It is one thing to abstractly discuss international level theories and approaches to comparative politics; it is altogether a different undertaking trying to demonstrate to students how these theories approaches might actually explain “real” events in the world of European politics. Concrete examples are needed. Case studies must be employed. Policy must be analyzed. It is here that the European Union can provide a powerful laboratory for such an undertaking. As this paper argues, the history,

politics, and economics of the European Union can prove extremely useful in evaluating the usefulness and accuracy of various approaches in international relations and comparative politics.

The broad objective of this paper is to evaluate several leading approaches to international relations and comparative politics in terms of their understanding of the European Union. European integration has blurred the distinction between domestic politics and international relations. Providing the accurate prescription for lenses that can clarify the blurring between the two sub fields is this paper's primary objective. Specifically, we evaluate a specialized course on the European Union – a simulation model of the EU – that we argue can expertly illustrate these various approaches and theories. In doing so, the simulation course provides greater insight and clarity into such theories than mere lectures, discussions, papers, and exams can provide

The paper is divided into four parts. First, we briefly summarize five leading approaches in the field of international relations and comparative politics and how each explains particular developments of European integration and the EU. Second, we describe the simulation course on the EU. Third, we then demonstrate how the simulation and its outcomes can illustrate the theories and approaches described in part one. Finally, we summarize the conclusions of the analysis and the implications for teaching the European Union.

I. Theories and Models – Understanding the European Union

We offer five leading theories and approaches to understanding the European Union.

We do not suggest that our examination is exhaustive or even fully captures the subtleties of each approach. However, these approaches have often been used in courses that examine the EU. Moreover, the approaches we identify are the standard fare of introductory chapters on the EU found in many leading texts on the EU, for example, Archer and Butler's The European Union (Archer and Butler, 1996) or Wood and Yesilada, The Emerging European Union (Wood and Yesilada, 1996). Moreover, theoretical works on the EU, for example, Bulmer and Scott's Economic and Political Integration in Europe, are also often constructed around the theoretical and analytical debates over EU explanation (Bulmer and Scott, 1995). The following analysis examines (in no particular order of importance) neorealism, intergovernmentalism, functionalism, liberal-institutionalism and marxism/structuralism.

Neo-realism

Neo-realists argue that the bipolar system of hegemonic stability provided the context upon which European integration could operate. System-level features of bipolarity, approximate equilibrium in military capabilities, and the deterrence effect of nuclear weapons provided the context for the "long peace" upon which the European Community could develop and expand (Mearshimer, 1993). Correspondingly, the framework for cooperation, alliances, and the rules of behavior will likely become unhinged as the bi-polar system begins to weaken and possibly fragment into a multipolar system. Neo-realists are ultimately skeptical about the further prospects for the development of European integration, given the structure of the international system as it is currently developing. Relative gains concerns and the overriding imperative of security requirements will drive wedges between alliance partners.

Clearly, neorealism seeks to avoid any theoretical complications by avoiding the use of any concepts from comparative or domestic-level politics. Despite such theoretical parsimony (which of course is neorealism's strength) and the resulting ease with which most students can understand it, the lack of attention to the internal domestic dynamics of states should raise some serious concerns about the comprehensiveness of neorealism. Neorealism can provide historical context to understanding European integration, but it cannot provide the context for a more detailed analysis of internal European politics. Moreover, the failure to adequately address the role that EU institutions such as the commission and parliament play in the politics of the EU ultimately fail to capture certain aspects of European integration that are the focus of many courses on the EU. Finally, one must question the predictions of neorealism. Despite the end of the Cold War, European integration continues, perhaps even intensified.

Intergovernmentalism

Intergovernmentalism has commonly been associated with realist analyses of international relations. While still emphasizing the important role of states as primary actors in the integration process, it is states that determine the structures and outcomes of cooperation (Moravscik, 1993). In fact, Moravscik's analysis has been extremely influential and suggests that state strategies are based upon preferences and power. In particular, cooperation and integration are useful and beneficial when they further the state's control over domestic affairs. As another proponent of intergovernmentalism argues, the EU can be thought of as an international framework constructed "by the nation-state for the completion of domestic policy objectives..." (Milward, 1993: 20-21).

As such, intergovernmentalism relies on explaining how state preferences vary in intensity dependent on the issue area to be negotiated, the relative costs and benefits associated with a potential agreement, the possibility of developing linkage or side payments, all of which will more likely lead to the possibility of compromise through negotiation.

Intergovernmentalism raises some important issues and has done much to clarify the questions surrounding European integration. The obvious nature of intergovernmental bargaining inherent in the EU are clear. Intergovernmentalism suggests states (and their government representatives that negotiate) are all important in understanding European integration. In fact, the EU designates its own negotiating sessions as intergovernmental – for example, the (less-than-successful) Intergovernmental Conference (IGC) recently completed in Amsterdam in June of 1997. Moreover, explaining how such negotiations are colored by compromises developed through the process of linkage, side-payments, and cost/benefit analysis can be easily demonstrated to students. Students also generally can follow how some issues are more important than others (issue intensity).

Nevertheless and despite its usefulness, intergovernmentalism still tends to blur the distinction between system level (traditional IR approaches) and domestic-level approaches. While emphasizing the importance of the state, intergovernmentalism demands that we know something about the internal domestic political situation in each country. Preferences matter, but how are these preferences aggregated and articulated? Intergovernmentalism does tell us something about the process of negotiation, but it needs to go further in its analysis of internal dynamics of each state's domestic politics. As

Gourevitch points out, “To understand Germany’s desire to sustain the mark, Britain’s refusal to surrender sovereignty of the pound, and the reluctance of other governments to pursue deflationary policies in order to keep their currencies within the snake, it is necessary to examine the politics within each country” (Gourevitch, 1996: 365). As a result, intergovernmentalism can paint a confusing theoretical picture for students to follow. Should the analytical eye focus on “states” or upon the internal interplay of domestic-societal causes?

Functionalism

As one of the leading early approaches to understanding European integration, functionalism has left an important legacy to scholars and students of the EU. The central prediction of functionalism and neofunctionalism was that European economic integration would be self-sustaining. The theoretical basis for this prediction was the concept of “spillover”, whereby initial steps toward integration trigger endogenous economic and political dynamics leading to further cooperation (Haas, 1958; Lindberg and Scheingold, 1970). Functionalism, also known as regional integration theory, suggested two areas for spillover: functional and political. Functional spillover occurs when incomplete integration undermines the effectiveness of existing economic policies, thereby creating pressures for deepening and widening policy coordination. Political spillover occurs when the existence of supranational organizations sets in motion a self-reinforcing process of institution-building. The regulation by such supranational institutions and authorities (the European Commission, “Eurocrats,” parliamentarians, etc.) of the integrative and interdependent European economy requires such oversight. Studies and accounts emphasizing the role of the Commission, among other actors,

suggest the importance of supranational actors, institutions, and continuing spillover processes in European integration (George, 1993).

Despite the detail of its analysis and the generally positive response students have toward the approach, functionalism's predictions about automatic, gradual, and incremental progression into deeper European integration and greater supranational influence have not always been accurate. Community building has come in fits and starts, fraught with periods of Euro-pessimism and euro-sclerosis. Spillover, while occurring in certain sectors or policy-arenas, has not necessarily occurred in any and all other sectors or areas. In fact, some policy areas have strongly resisted such spillover – especially in the areas of defense, foreign policy, justice, money, and even immigration. Moreover, the “autonomous” influence of supranational authorities has increased only slowly and unevenly, if at all. It is also difficult to pinpoint the independence of such institutions on spillover processes. As my mentor once stated, “By explaining everything, functionalism explains nothing.”

Liberal -Institutionalism/Regime Theory

Despite some of its inherent problems, functionalism's insights have carried over into another leading approach to understanding international relations and European integration. This approach, often labeled liberal-institutionalism but often combined with some form (not always) of regime theory, explained the EU as an international regime. First, regimes, defined as the “principles, norms, rules, and decision-making procedures around which actor expectations converge” in a given issue-area (Krasner, 1983), can help structure analysis of the institutions, rules, decision-making procedures and norms of interaction within the European Union. Allowing a broader definition and explanation of

European integration suggests emphasizing the institutional components of joint-decision-making, implementation, and enforcement of community law (through mutually acceptable rules). Moreover, “norms” of behavior, common to most EU politics, can be identified, for example, the necessity of compromise, the recognition of mutual benefits, and the peaceful resolution of conflicts.

Building on this, liberal-institutionalism emphasizes the importance attached to the role of institutions and norms in the development of European integration. This approach suggests that institutions “matter” (Keohane, 1989) by affecting the interests of states and mitigating the “relative gains” concerns of states (Baldwin, 1993). Joint (absolute) gains from agreements, the development of long-term relationships engendering trust among actors, and expectations of reciprocal behavior can be achieved through the development of common interests built on institutions. Such approaches also highlight domestic politics for understanding how choices and preferences are constructed and for how common interests can be identified. In sum, institutions of decision making in the EU and the norms and expectations of behavior within the EU, have produced a sustained pattern of cooperation and integration based on the choices and preference of state actors.

The problem, of course, centers on the question: “Do institutions always matter?” The answer - it depends on the issue, it depends on the state. Moreover, security, defense, immigration, and terrorism, sometimes reside outside the boundary of joint decision-making. No established norms have been developed in these and other policy arenas. And those that exist are hard pressed under the strain of conflict such as those over common foreign and security policy, for instance in Bosnia. Finally, rules and

norms may merely be imposed through hegemonic influence, for example, Germany's imposition of stringent convergence criteria associated with European Monetary Union. Institutions may matter, but they are shaped by strong states.

Marxism and structuralism

Often neglected, but no less valid, marxist and structuralist approaches can provide insights into the operation and functioning of the European Union and can reveal how actors and power structures are institutionalized. Ross (1992) suggests the importance of economic agents of capital in the move towards a single European market. Elite-based and class-based preferences (look at the membership of the Delors Committee) centered on particular societal structures often find resonance among students interested in understanding the movement towards a single currency, the single markets, and other "liberal" policies. Marxism's logic is easily applied when students are asked the question – who benefits from this agreement? And, who loses from such an agreement? These are questions that students easily can reflect upon and answer using the analytical critique of Marxism. This is especially the case when students examine the advantages and disadvantages of EMU.

Structural understandings of the EU point to the penetration of the European periphery by the EU's political and economic center – namely Brussels and the institutions of the structure, the Commission. The periphery gives up autonomy to the decisions and structures dictated from the center. The periphery has little or no choice in deciding to adhere to the guidance and directives from the center. Discussions on European Monetary Union that focus on the "core" group of countries that might initially proceed with EMU and leave a second –tier of countries (the periphery) left to hang on to

the core suggest the resonance of structuralist approaches. Galtung (although not strictly a marxist) also offers a critique of the EU's external trade relationships faulting it for structural dominance and imperialistic tendencies (Galtung, 1973). Debates over banana quotas and the role of commonwealth or ex-colonies fit this pattern.

The problems for marxist and structuralist analyses of the EU are straightforward: some students tend not to accept the basic critique of capitalism that underpins these approaches. They often see the benefits of European integration and the efforts made to equalize and harmonize standards of social welfare policy (among other policy arenas). They see more countries wanting to join so as to reap the benefits associated with EU membership. Many citizens do not feel exploited. In fact, the periphery, through extensive regional cohesion funds and the process of subsidiarity, may stand to benefit more as the costs are assumed by the center (core) countries like Germany and France. Finally, although both approaches make clear their respective analytical foci (class structure and capitalist structure), both tend to blur distinctions between states, interests, and international or system level variables.

II. Teaching the EU through Simulations

As described above, there are diverse approaches to studying the EU, each with respective strengths and weaknesses. What, then, is the most effective manner to teach the EU so as to highlight these theories and their limitations? We offer a teaching model that simulates the institutions and policy-making process of the EU. As an "active learning process" (Smith and Boyer, 1996), we argue that a simulation is best suited for eliciting the type of "EU behavior" that each approach ultimately is trying to explain. Specifically, simulations can recreate complex, dynamic political processes that are

typical of the EU. They allow students to examine the motivations, behavioral constraints, resources, and interaction among institutional actors and allow for deeper insight into political processes. Students involved in simulations are more attentive and actively involved in the learning process with a “hands on” experience or a “personal stake” in the outcomes of the class and simulation. Anecdotal evidence from our own course and surveys of students who have participated in the simulation demonstrate that they retain certain types of information longer. They also involve themselves in collaborative learning and enhance their presentation skills, both verbally and in written form. In sum, a strong pedagogical case can be made for simulations as a very effective teaching technique, and, as we will show, for highlighting the theoretical debates illustrated above.

Although described elsewhere in terms of the basic structure and organization for the multi-university simulation (DeClair, 1997), the EU Simulation-seminar course developed here at West Chester is designed in three basic structures. The first part examines the EU; the second part examines the particular policy-issue area for the year’s simulation, this year monetary policy; the third part examines the country our university was selected to represent, Italy. We develop each briefly below.

The European Union: History and Institutions

The first part of the course develops the theoretical discussion above and provides the historical context to the development of the European Union. Obviously, students do not know at this point much about the EU. I spend the first four-five weeks informing them about the EU, the idea, and the historical developments. Of particular importance are the institutions of the EU: the European Parliament, the European Commission, the

Council of Ministers, and the Council of the Heads of State. In particular, we examine the connections and interactions between and among the institutions. We examine the characteristics of each institution. Here again, the institutions reflect the theoretical complexity of the EU. The European Commission in many ways reflects a supranational institution. The European Parliament, while considered a supranational institution as a result of the development of European political party groupings (EPP, PSE, ELDR, etc.) and the subsequent supranational “party” identities, exhibits a mixture of national and transnational elements. The elections of the parliamentarians are decided within the state according to state electoral rules and the parliamentarians still retain strong “national” identities, witness the recent debate over chocolate (The New York Times, October 24, 1997). Moreover, domestic party politics can and do influence the parties in the parliament (Morgan and Tame, 1996). For its part, the institution of the council of ministers is strongly intergovernmental in orientation. The Council of Heads of State also retains a strong element of national interest.

Given the confusing institutional arrangements of the EU, students are given an examine question: Which theory best illustrates the historical development of the EU? They are asked to specifically reflect on the institutional and policy developments within the EU. The responses to the question are varied but generally demonstrate a low-level of theoretical sophistication. They have the “basics” understood. How does one take it to another level of understanding? That is where the rest of the simulation comes into play.

Policy-making in the EU: The Case of EMU

Each year the simulation selects a new policy to debate. Last year we debated environmental policy. This year we are examining European monetary politics. In the future, topics like agriculture, security, or enlargement most likely will be debated. Here again, the issues become complex. Students quickly realize that the EU is highly interdependent, with highly integrated trade, investment, and policy links. Externalities in any one policy arena affect the policy and politics in another policy arena. Nation states can rarely go at it alone, opt out for long, or solve their problems unilaterally. In short, nations have particular policy preferences, preferences that are shaped by international (or EU-system) level variables and domestic-level variables.

These principles apply to European monetary policy. The examination of monetary policy requires a multi-faceted approach. First, students must have some sense of the economics. The types of globalizing forces in the international economy drive monetary union and integration. Students must be familiar with concepts such as balance of payments, exchange rate regimes (fixed, adjustable, floating), devaluation and revaluation, realignments, intervention in the markets and capital controls. Students must be able to understand and discuss the underlying economic complexities of the convergence criteria and how these criteria affect the domestic macroeconomy of each member state that wants to join EMU. These include the various strict fiscal requirements associated with debt and deficit requirements.

But as these sometimes abstract concepts and topics illustrate, the economic decisions surrounding EMU are in large measure driven by political imperatives. EMU has always been a powerful political and ideological objective. To understand EMU is to understand the political forces driving the project. Moreover, the students also realize

that the convergence criteria have demanded political action at home. These actions have resulted in painful political decisions associated with fiscal cutbacks and an interest rate policy tied to external currency objectives – pegging to the DM. Such political decisions have brought riots in France and protests in Spain, and just recently, the near collapse of the Italian government.

Again, these policy discussions and analysis illustrate the comparative/international theory debate. On the one hand, many of the forces driving EMU have international implications. Trade, investment, the flow of capital, dollar instability demonstrates the significance and impact of system level variables. International institutions and regimes govern some of these forces. Others are not. Some authors reflect on the larger international power ramifications of the EMU arguing that EMU should be examined in terms of global power politics (Loedel, 1997). Money is very much a national symbol – a symbol of power, influence, and sovereignty. On the other hand, understanding the internal dynamics of nation states is to also understand EMU. Domestic interest groups, party politics and coalition politics, and public opinion swirl around the ongoing debates of EMU. National elections have hinged on the debate over EMU. Candidates (and governments) rise and fall on the issue. It seems that no area of domestic politics has remained unaffected by the debate over EMU. Rather than simplifying the theoretical debate, policy analyses of EMU adds an extra level of complexity to understanding European integration.

The Nation State: Italy

After becoming EU- and Euro-specialists, the students return to the realpolitik of European politics – the nation state. The nation-state still reigns dominant in many areas

of EU politics. Students identify the “national interests” of their respective nation states. What does Germany or France or Italy want from each other? From EMU? For example, the Maastricht Treaty and the recent agreement on a Stability and Growth Pact were negotiated in the end at the intergovernmental level. Each nation sought to secure their most advantageous position. The UK received an opt out. The Germans got tough convergence criteria. The French required Germany to commit forever to Europe by relinquishing the DM and control over European monetary policy to a European central bank. The Italians and Spanish wanted to participate in EMU under conditions that would identify them as striving for a “sustainable” record of monetary convergence. EMU, although carrying a heavy Teutonic tone (indicative of power relationships in the EU), is a classic intergovernmental bargain.

At the same time, and again drawing out the theoretical debate between international relations and comparative politics, we still need to ask how state preferences were created and how they played themselves out in the EMU negotiations. In order to overcome some of the confusion, we employ a very basic “two-level” model (Putnam, 1988) to illustrate the internal-external complexity of a nation state’s participation in EMU (and in the EU more generally). Italy, as our “state” sits at the crossroads of the theoretical debate. Students need to understand Italy’s “position” in the European system of nations: its history, relationships, system of interaction, etc. Students also need to understand the internal domestic development of Italian politics (no easy task!). They are required to reflect upon and understand the Italian system of clientelism (McCarthy, 1997) and the problems of internal state development. They spend a great deal of time examining the recent (1992 onwards) transitions and transformations in Italy. The

radically changing party system, the rise of Forza Italia, the Lega Nord, the role of the National Alliance, the disintegration of the DC, the staying power of the ex-communist PDS and the role of the RC demand that students look “inside” the black box of the state in order to understand Italy’s position in Europe and within the EMU debate.

In sum, by the time the actual simulation is ready to start at the end of the semester, students have been deeply immersed in the theoretical and practical-political components to the politics of the European Union. They will take the accumulated knowledge and “apply” it in the simulation. It is to these events that the paper now turns.

III. The Simulation: Bringing the EU and Theory to Life

After studying the history, institutions, policy and member-states of the EU, students are ready to start the simulation.

First, students assume alter egos that correspond to positions in four key institutions of the EU. For example, as Italy, I have one student who assumes the “Head of Government” role – in this case, Romani Prodi (from the PPI – the old left wing of the DC) as Prime Minister of Italy. He will be the representative in the Council of Europe – Heads of State grouping. Another student assumes the role of an EU Commissioner. Each university gets one commissioner (although some universities representing the five big states could have two commissioners). Our student will represent Mario Monti, the Italian commissioner in charge of the internal market, financial services and financial integration. Two students assume the ministerial position (depending on the topic) to represent Italy in the Council of Ministers. As an example from this year’s simulation, we have a “Finance Minister” for ECOFIN (Vincenzo Visco of the PDS – the old

communist party) and a Foreign Minister for the Council of Foreign Affairs (Lamberto Dini of the center-left Dini List).

In the European parliament, we have representatives of the leading six political parties based on the last European elections of 1994. In that election, Forza Italia garnered 30.6% of the vote; the PDS gained 19.1%; Alleanza Nazionale - AN (the neo-fascist party) 12.5%; the PPI (ex-DC) 10%; Lega Nord 6.6% and the Refounded Communists (RC) gained 6.1%. Based on the number of students available for positions (determined by the number of students enrolled in the course – usually around 15) in the parliament and broken down in proportion to the vote, we have four FI members, three PDS members, two PPI members, two AN members, one NL, and one RC. We included as an addendum at the end of the paper the breakdown of the various alter egos and institutional and party positions in the respective EU institutions. Students are asked to put together a written “profile statements” of their alter ego and then to present their alter ego to the class. These profile statements capture the personal, party, and political “character” of each actor. The students are to use these profiles in order to guide their behavior through the simulation.

At this point, the institutional, policy, and personal-political set-up of the simulation has been created. As the simulation is now structured, the Commissioners meet first (usually a month or so before the simulation) to draft a working paper/ resolution for the simulation to follow. The commissioners’ goals are to put together a document (in this case on EMU) that reflects the interests of “Europe” as a whole. Generally, the resolution is a broad compromise that reflects a pro-Europe consensus and which seeks to increase, in part, the power, responsibilities, and discretion of the EU

Commission. In this way they gain a sense of the institutional position of the Commission, its supranational – transnational, and elite driven character as well as the tedious nature of any bureaucratic institution. During the simulation (see below) the commissioners also serve as information/advice givers, circulating through the committees. They also meet separately to discuss the next year's issues.

Once the two-day simulation is actually underway, the simulation is divided into two main groups. First, each of the ministerial councils (finance and foreign) meet separately to evaluate the draft resolution. In each committee, state interests are represented. Various forms of decision-making are employed – usually qualified majority voting, but also unanimous consent and simple majority. Coalitions have to be built, compromises attained, and every state's interest presented. Eventually the two councils will meet together to produce a combined or joint resolution. Here the differences of the ministers are aired. For example, the finance ministers might have a more rigid interpretation of EMU, whereas the foreign ministers might seek to develop more diplomatic efforts to smooth over any divergences. In any case, discrepancies between the two documents must be eliminated in order to provide a common Council “front” vis-à-vis the parliament.

The parliamentarians are divided into two rather large parliamentary committees. This year C4 (Committee on Economic and Monetary Affairs and Industrial Policy) and C8 (Committee on Social Affairs and Employment) will be used. Each committee selects a chair, vice-chair, and a secretary. The parliament committees are subsequently divided into the respective party groupings. In other words, the members of the Italian PDS now operate within the Party of European Socialists from the other universities. The PPI

works with the EPP. Forza works with the UPE. Lega Nord works with the ELDR. The AN works as a “non-attached” grouping with includes other right-wing parties such as the FPÖ of Austria. The RC works within a larger “left” coalition of the United-left/Nordic Green bloc. Much like the real EP, the two larger party groupings dominate the discourse and debate on the resolution. Smaller party groupings struggle to find a role, work on the fringes, and some try to delay and cause problems (usually from the far left or far right). The centrist liberals and statist-conservatives (ELDR and UPE respectively) seek to position themselves within the party framework in order to make amendments and build other coalitions.

The two parliamentary committees must each separately work through the resolution in order to produce their “final” committee version. Then, the two committees’ resolutions are combined to develop one common parliamentary position. At this point, the parliament and council groupings meet together to resolve their differences (under co-decision making rules). After (if) they can reconcile their two positions (with help from the European Commission), they present a final resolution to the heads of state who have a final say over the document. The Council of the Heads of States can approve the document as is, amend and approve, or make no decision at all. At that point, the simulation is completed.

IV. Conclusion: Theory and Reality in the EU Simulation

After watching the students perform, struggle, and politic in the simulation, what can we summarize from the experience? From a teacher’s perspective, it is clear that the students benefit a great deal from the experience. First and foremost, the students, many for the first time, experience what “politics” really means. Specifically, it means lengthy

debates and discussions and sometimes frustrating and boring detail work. The “devil is in the details” becomes more than a saying. The language of politics, the importance of a word, phrase or concept, comes to life. The students also realize that people and personalities drive politics. They act out their alter ego and most perform quite well. They must work together and against one another, building coalitions or preventing someone from driving a wedge between them and their allies. The students experience the feeling of leadership, of speaking out, and of presenting arguments, not to a professor, but to their peers. They are frustrated, tired, find the work at times tedious, at other times enjoyable, as they push determinedly through each step of the stimulation. Finally, they work within formal constraints (rules and time restrictions) imposed by the simulation’s structure and informal constraints (they get hungry, thirsty and tired) imposed by the limitations of human beings.

What do the students learn about the EU, its institutions, policies, and politics? First, the parliamentarians realize the importance of party politics, how to build coalitions, and how isolate other parties. Students also develop a strong sense of party identification, representing those domestic interest associations traditionally allied with their parties. For example, the communists blast the whole EMU process as an artifact of global capitalism and the liberals represent the desires of industry and banking to “liberalize” the European market. Overall, get a strong sense of the transnational-supranational character of the party groupings. However, they also still feel a strong affiliation to their own respective nation state. Some nation states have several strong “national” EU parties, for instance Forza Italia, the Northern League, and the National Alliance in the case of Italy.

Second, the students fully understand the institutional differences and connections that exist with the EU. In other words, institutions do matter both in terms of how the debate is defined and how the simulation develops. They begin to understand the conditions under which a particular EU institution has some power and influence. They also understand when each institution has little or no power. Of course, the parliamentarians think that the whole simulation (and the EU) revolves around their activities, as does the Council of Ministers and the Council of the Heads of State. Ultimately, the most important institutional understanding comes from the stark realization of which EU institution has the “real” power. This is crucial. The students in the parliament realize that, despite all their good efforts and labor pains associated with producing a near “final” document, the intergovernmental body of the Heads of State can stop, veto, and halt all legislative proposals. Moreover, the notion of intergovernmental bargains is also illustrated in the behavior of the Council of ministers, where the “interests” of each state are forcefully articulated and sharp negotiations develop. Students also realize the significance of state coalitions, for example, the big powers versus coalitions of smaller powers or other coalitions like the “Club Med” states against the core states.

Third, in terms of policy, the students quickly develop a firm understanding of the nature of the externalities associated with the debate over EMU or any other EU-policy related topic. This realization occurred earlier in the commission’s own internal debates in drafting the original resolution. In particular, debates over the impact that the Euro might have on employment raised the question of whether there should be an enhancement of the centralized power of the Commission or Parliament. Certain new

powers and responsibilities - many of them associated with budget powers in order to redistribute funds to deal with the asymmetric shocks that will inevitably develop within the EU/EMU member states - might have to be created and institutionalized. The students ask, "If we do this with the Euro, it will affect employment. We have to do something about it." As another example, a political counterweight to the ECB might need to be created. Once the students realize the economic power of the ECB, they quickly raise the issue of political union that can help govern in some way (yes, the ECB will still be "independent") the overarching macroeconomic policies of the EU. Students in the parliament also raise the issue of the "democratic deficit," "openness," and "accountability," and therefore request a more direct role for the "European public's true representative" in the EU in macroeconomic decision-making. In other words, the idea of functional and political spillover comes to life.

In an indirect way, the analysis of what the students learn about the EU ties in directly to the theoretical and analytical debate raised at the beginning of this paper. In our view, a theoretical synthesis of the various approaches and concepts is required. We conceptualize the EU around political actors: both in terms of international relations as well as domestic politics. As Marks suggests: EU politics is driven by "groups of human beings who associate in organizations of every kind, including political parties, parliaments, civil services, national governments. (Marks, 1997: 1). This view is of course unsatisfying for neo-realists (although they can rejoice when they see the simulation and cooperation collapse at the end of the simulation!), but can be made acceptable to almost any of the other approaches described in part one. National politicians (whether heads of state, ministers, or political parties) engage in international

relations. Even when national politicians act in the national interest, they remain bound to their domestic base, parties, associations, parliaments, and government. This gives students a concrete sense in the traditional level of analysis question, who or what is doing the acting. The students are the actors, but with rules and institutions that shape their exercise of authority in whatever realm – international or domestic – within which they operate. The students often will try and change those rules, but they must start the simulation with a given set of “rules.”

This model works well with the simulation. In the simulation, the students are the actors both in terms of international relations but also representing domestic interests and politics. These actors are both transnational and intergovernmental. They represent class-based interests (among many other party-based interests) but also the interests of the “European” public. They are institutionally driven and constrained, shaped by the rules of the EU. They have a sense of the larger power balances between the EU member states as well as those external EU forces that give rise to such power balances. They experience the complexity of the spillover concept and accept their respective functions – either direct or limited.

In sum, the simulation provides a comprehensive understanding of the EU that synthesizes the various theoretical debates and demands that the students draw upon and reflect on each approach. Each student receives a direct sense of the “politics of the EU” – as actors involved in a dynamic political process that is both very real and very theoretical. When asked at the end of the course, “Which theory best explains the historical developments and politics of the EU?” students are able to provide greater insight and clarity that they earlier were not able to provide. They also can provide

concrete examples straight from their simulation experiences that illustrate such points.

When this connection is made, between the “real” and the “theoretical”, we know that we have succeeded.

Italy – Assignments of Alter Egos (as of 9-18-97)

Student Name	Alter Ego	Party (Italy)	EU Party	Committee
Brian Sinowitz	Mario Monti Commissioner			
Justin Hayes	Romani Prodi Prime Minister	Prodi List (PPI-Olive Tree)		
Karen Hulme	Lamberto Dini Foreign Minister	Dini List (Centre-ex Socialists)		
John Santa Barbara	Vincenzo Visco Finance Minister	PDS (ex-Communist)		
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Matt Helfrich	Roberto Speciale	PDS	PSE	Emp/Social
Dan Pavese	Renzo Imbeni	PDS	PSE	Monetary
Cindy Stump	Fiorella Ghilardotti	PDS	PSE	Emp/Social
Rob Schneck	Antonio Graziani	PPI/ex-DC	PPE	Monetary
Bill Cook	Giampaolo D'Andrea	PPI/ex-DC	PPE	Emp/Social
Andrew Wendler	Antonio Michele Trizza	AN	NI	Emp/Social
Brandon Jewell	Gianfranco Fini	AN	NI	Monetary
Rita Chesterton	Luciana Castellina	RC	GUE/NGL	Monetary
Tim Martin	Umberto Bossi	NL	ELDR	Emp/Social
Gretchen Owens	Ombretta Colli Comelli	FI	UPE	Monetary
Adrian Weaver	Roberto Mezzaroma	FI	UPE	Emp/Social
Jerrold Hattfield	Gian Peiro Boniperti	FI	UPE	Emp/Social
Paul Konstantinidis	Riccardo Garosci	FI	UPE	Monetary

PSE Party of European Socialists
 PPE European People's Party
 ELDR European Liberal Democrats & Reformists
 NI Non-Attached
 V&GN Green/European United Left/Nordic Green
 UPE Union for Europe

PDS Party of the Democratic Left (Soc.)
 PPI/DC Christian Democrats
 AN National Alliance
 LN Northern League
 RC Refounded Communists
 FI Forza Italia

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