

Theoretical Approaches to the Institutions of the Integrative Structures

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Definition of the relevant term of "institution"

"Institutions" is the word that evolutionary (institutional) economists use for the regular, patterned behavior of people in a society and for the idea and values associated with these regularities¹. There are various phrases that can be used to define institutions or an institution such as: a usage that has become axiomatic by habituation; collective action in control of individual action; widely prevalent, highly standardized social habits; a way of thought or action embedded in the habits of a group or the customs of a people; prescribed patterns of correlated behavior². But none of these phrases give the term the same meaning like the one given by the evolutionary economists.

In observing the activities of a group of people, a scientist may be able to notice regularities that occur in the actions of most of the people under supervision. While there will be variations, in some cases even large variations in the activity conducted, there will also be patterns. These regularities or patterns are named rules and they are governing the actions of the people observed.

Going forward with the observation of the activities of the group of people, the scientist will try to find answers to some questions in order to understand why people are doing what are they doing. Some of these questions would be: who may?, who must?, who may not do something?, what?, when?, in what circumstances of time, place, and antecedent actions of people?, how?, what tools?, used how and in what order?, what recitations and actions?. The answer to these questions will reveal to the scientist the people's values and systems of belief: ideas about how the universe and society work, about better and worse, about effective and ineffective, about right and wrong. All these ideas can be called folkviews³. Folkviews include values, beliefs, and ideas about the world, about the universe, about the mystical and transcendent as well as the worldly. Another point for the observer will be the superstitions that the people may have and that are part of the culture or subculture.

The rules and the folkviews are essential to all interactions among people: they enable us to understand what people are doing, why they are doing in a way and not in another, what they are likely to do; they enable us to know what we may do and what we are not allowed to do. Rules can be considered sometimes as being restraining or as limiting the actions and they do this sometimes. But in the same time they allow us to act in a variety of ways. Hence, the rules of institutions allow us to act and to create in other spheres⁴. Some institutional arrangements are more confining than others. From some point of view, all institutional arrangements are confining but in the same time, all of them

¹ Hodgson, G., Samuels, W. & Tool, M., *The Elgar Companion to Institutional and Evolutionary Economics A-K*, Edward Elgar Publishing Limited, England, 1994, p. 402

² idem 1

³ Hodgson, G., Samuels, W. & Tool, M., *The Elgar Companion to Institutional and Evolutionary Economics A-K*, Edward Elgar Publishing Limited, England, 1994, p. 403

⁴ idem 3

provide opportunities for individual variation in style and in achievement and in personal choice. Without institutional rules there could be no relationships or interactions among people. For participants in any culture, the institutional rules and folkviews are the structure and meaning of human life in all its respects.⁵

The evidence for an institution is the regularities of people's actions and their responses to questions about what they are doing. Institutions are not necessary mutually exclusive.

Each institution is sui generis having the characteristics of the time and place when and where it was created. There are functions that have special provisions that are made differently in all cultures, but the specific institutions vary a lot. All cultures provide the material means that people use to survive and to achieve other aims, but the specific institutions that ensure the provisioning of society may be highly specific to the production of goods or have a variety of other characteristics⁶. In this context, all institutions have rules for managing the disputes, but these rules can be associated with kinship organizations or religious institutions as well as with governments.

If people know the institutional rules of a situation, they can anticipate the actions of the others and the degree of independence or personal variation that they are allowed to take in their actions.

The evolutionary economists speak of institutions as past-binding and ceremonial, in contrast with instrumental and technological⁷. As time goes by, the circumstances that led to the creation of certain institution(s) change, and as a consequence, some of the rules and folkviews that were originally instrumental adaptations to past situations become not only obsolete but positively detrimental in the newly changing circumstances. But the frustrations and the perceptions of new opportunities always arise in the context of continuing systems, and the new rules and folkviews will inevitably reflect some of the ceremonial as well as some of the instrumentally effective aspects of existing rules and folkviews⁸. Walton Hamilton pointed out that people "see with their idea as well as with their eyes ... [and] meet events with a wisdom they already possess, and that wisdom belongs to the past and is a product of by-gone experience⁹".

Institutions change as people gain experience and they realize that there are better ways to organize some aspects of their lives. Extremely frequent, institution change in response to experience with new technologies but it can also occur in response to the experience of contacts with other cultures.

The focus of the paper is the description and functions of political institutions. A definition given by Daniel Diermeier and Keith Krehbiel states that "a political institution is a set of contextual features in a collective choice setting that defines constraints on, and opportunities for, individual behavior in the setting"¹⁰. These constraints and opportunities refer to who may and may not initiate proposals, in what order are proposals considered, what conditions can proposals be amended, etc.

The link between the institutions (as contextual constraints) and outcomes (as consequences of collective choice) is behavior. Institutions have the distinguishing feature of characterizing incentives for certain types of behavior as well as imposing constraints on such behavior. In this sense, behavior within the institution determines whether institutions are outcome-consequential or whether institutions matter.¹¹

⁵ idem 4

⁶ Hodgson, G., Samuels, W. & Tool, M., *The Elgar Companion to Institutional and Evolutionary Economics A-K*, Edward Elgar Publishing Limited, England, 1994, p. 405

⁷ idem 6

⁸ idem 6

⁹ Hamilton, W., *Institutions*, Edwin R. Seligman and Alvin Johnson (eds), *Encyclopedia of the Social Sciences*, vol. 8, pp. 84-9, New York: Macmillan, 1932

¹⁰ Diermeier, D. & Krehbiel, K., *Institutionalism as a Methodology*, Research Paper No. 1699, Research Paper Series, Graduate School of Business, Stanford University, 2001, p. 4

¹¹ idem 10

The analysis of the institutions is done in the literature by the institutional theory – that is a theory that seeks an understanding of the relationships between institutions, behavior and outcomes¹².

In the opinion of Diermeier and Krebiel, the institutional theory can be summarized as a four step method:

- states and holds fixed behavioral postulates for political actors within the collective choice setting to be studied
- characterizes formally the institution in effect
- deduces the behavior that arises within the institutional setting, given the behavioral postulates, and characterizes the outcomes that result from the behavior.
- evaluates the derived empirical implications using data.¹³

The very aim of the institutional analysis is to investigate different institutional settings. In the same time it is necessary to make the difference between the institutional theories and the theory of institutions. The central point in the theory of institutions is to explain why some institutional features come into existence and persist while others are either nonexistent or transient. A theory of institutions can not exist without institutional theories. In order to know why a certain institution exists, it is essential to know not only the consequences of the focal institution but also the consequences of alternative institutional arrangements that could have instead been crafted¹⁴.

The case of “old” and “new” institutionalism

Institutionalism produced excitement among social scientists. The topic has surfaced with varying intensity and salience in different historical periods and in the work of virtually all major social and political thinkers. More recently, in the last fifteen years, the theme has been “rediscovered” and re-launched within each of the major social science disciplines (sociology, political science, international relations, etc.) and paradigms (rational choice, constructivism, historical analysis, etc.).

Powell and DiMaggio described the resurgence of interest in the institutions as “a renaissance”¹⁵. Sven Steinmo and others talk about the “rediscovery” of institutions, contending that it has opened up an “excited research agenda” in comparative politics and comparative political economy¹⁶. Hall and Taylor argue that institutionalism, in all its varieties, has “significantly advanced our understanding of the political world”.¹⁷ Jack Knight and Sened argue that institutional analysis has “reemerged as a central focus of social science research.”¹⁸ Piccioto and Weisner view “new” institutionalism as the emergence of “a new development paradigm” that holds institutions and organizations as the key determinants of economic, social and political progress¹⁹.

The theme of “institutions” and the “institutionalist” approach is as old as social thinking is. In the western culture, Aristotle’s study of the Greek city-states constitutions should probably be regarded as the first systematic and comparative institutional analysis. Montesquieu emphasized the importance of rules (laws and customs) in the mid-18th century. In the 19th century, in Germany, an

¹² Diermeier, D. & Krebiel, K., *Institutionalism as a Methodology*, Research Paper No. 1699, Research Paper Series, Graduate School of Business, Stanford University, 2001, p.7

¹³ idem 12

¹⁴ Diermeier, D. & Krebiel, K., *Institutionalism as a Methodology*, Research Paper No. 1699, Research Paper Series, Graduate School of Business, Stanford University, 2001, p. 11

¹⁵ DiMaggio, P. & Walter Powell, *The New Institutionalism in Organizational Analysis*, University of Chicago Press, Chicago, 1991

¹⁶ Steinmo, S., Thelen, K. & Longstreth, F., *Structuring politics: Historical Institutionalism in Comparative Perspective*, MA: Cambridge University Press, Cambridge, 1992

¹⁷ Hall, P. & Taylor, R., *Political Science and the Three New Institutionalisms*, *Political Studies*, 44:936-957, 1996

¹⁸ Knight, J. & Sened, I., *Explaining Social Institutions*, Ann Arbor: University of Michigan Press, 1995

¹⁹ Piccioto, R. & Wiesner, E., *Evaluation and Development: The Institutional Dimension*, New Brunswick, NJ: Transaction Publishers, 1998

economic debate on scientific methodology contained in the Methodenstreit was institutional in nature. The challengers in the debate, led by economist Gustav Schmoller, were inspired by Kantian and Hegelian philosophy. They were arguing that economic principles could not be reduced to a set of universal laws – the traditional position – because economic processes operated within a social framework that was in turn shaped by cultural and historical forces.

The **old institutionalism** (the original institutionalism) emerged largely out of a critique of orthodox assumptions. Most of the ideas offered by Schmoller's historical school were all received by American economists, among them John Commons and Wesley Mitchell. One of the main representatives of the old institutionalism is Thorstein Veblen and he put great emphasis both on the processes of economic evolution and technological transformation and on the manner in which action is molded by circumstances.

Veblen argues that neoclassical economics has a "faulty conception of human nature" wrongly conceiving the individual "in hedonistic terms; that is to say, in terms of a passive and substantially inert and immutably given human nature"²⁰.

Although each supported a distinctive perspective of economic institutionalism, the three were unanimous in their criticism of conventional economic models for the unrealistic assumptions and ignorance of historical change.

The old institutionalism considers units of analysis above the level of the individual. There are some common threads between the old and new institutionalism such as the use of institutions rather than individuals as the basis for analysis. In this sense, the works of John Commons on institutions and Thorstein Veblen are apposite here.

The stress in the old institutionalism is on the continuing structural transformation of economic systems rather than equilibrium, optimality and stasis. A distinctive feature of old institutionalism is its emphasis on technological change.

The old institutionalism offered similar definitions of institutions. Schmoller defined an institution as a "partial order for community life which serves specific purposes and which has capacity to undergo further evolution independently. It offers a firm basis for shaping social actions over long periods of time."²¹ Veblen defined institutions as "settled habits of thought common to the generality of men". Hamilton narrowed the definition to "a way of thought or action of some prevalence and permanence, which is embedded in the habits of a group or customs of people".

The **new institutionalism** rests upon some long-established assumptions concerning the human agent. This derives from the classic liberalism found in the work of John Locke and John Stuart Mill, as well as in the works of Jeremy Bentham, David Hume and Adam Smith.

The main idea of the classic liberalism is that the individual can be "taken for granted" which means that the individual, together with his or hers assumed behavioral characteristics, is taken as the element building-block in the theory of the social or economic system²². There is no primacy in explaining institutions in terms of individuals, as there is no primacy in explaining the behavior of individuals in terms of institutions. The central point of the theory is that the individuals and their preferences must be taken for granted.

Among the representatives of the new institutionalism there are Oliver Williamson, who was one of the first to popularize the "new institutionalism" label, Harold Demsetz, Friedrich Hayek, Douglass North, Marcur Olson, Richard Posner and Andrew Schotter. Their contributions include different issues such as property rights, "spontaneous order", economic history, economic growth, the economics of law and game theory.

²⁰ Veblen, T. B., *The Place of Science in Modern Civilisation and Other Essays*, New York: Huebsch, 1919; reprinted 1990 with a new introduction by W.J. Samuels, New Brunswick: Transaction Publishers

²¹ Hodgson, G., Samuels, W. & Tool, M., *The Elgar Companion to Institutional and Evolutionary Economics A-K*, Edward Elgar Publishing Limited, England, 1994, p. 397

²² idem 21

The main difference between the old and new institutionalism rests in the fact that the traditional institutionalism didn't go beyond the analysis of the power and formal structures of the decision-making institutions. The new institutionalism defines the institutions in a broader sense which includes a large range of procedures, practices, relations, customs and formal and informal norms²³. From this perspective, the new institutionalism is much broader and expansive regarding its preoccupations and interests.

All these works have a common theme: to explain the existence of political, legal or more generally social, institutions by reference to a model of individual behavior, tracing out its consequences in terms of human interaction²⁴. In other words, the central idea of the new institutionalism is that the institutions matter in the decision making process and their actions have effects over the results of the decision making process and policies.

The new institutionalists tried to explain the emergence, existence and performance of social institutions on the basis of the assumption that the individual is taken "for granted". The existence of the institutions is seen to affect individual behavior, but only in terms of choices, constrains and information presented to the agents, not by the molding of the preferences and indeed the very individuality of those agents themselves²⁵.

The institutions are seen only as providing external constrains, conventions or openings to individuals who are taken as given, as central entities. There is no consideration given to the possibility that individuals may be shaped by the social institutions. Once, for example, it is admitted that institutions may mould or frame cognitive processes, the "information" that institutions provide cannot be regarded as simply a "input" because the individuals themselves are changed.

Three major schools of thought have emerged in new institutionalism, namely rational choice, historical and sociological institutionalisms. Between these schools, the common idea is that institutions are interested in state and societal forces that shape the way political actors define their interests, and how such forces structure power relations between actors. The primary objective of the institutions is to provide structure to daily activity and to reduce uncertainty.

The three "new" institutionalisms have a number of distinct characteristics in comparison with the "old" institutionalism. Some analysts argue that new institutionalism is more a persuasion or an emphasis than a fixed blueprint for systematic analysis.

The analysts consider that the field is fast changing, and there are numerous less pronounced perspectives that could in future be regarded as complete approaches in their own right. For example, Geoffrey Hodgson's new institutionalism in economics has been variously mentioned as plausible fourth school of thought.

Another potential school of thought is organizational institutionalism, advanced by John Meyer, Richard Scott, Soren Christensen and Sven-Erik Sjostrand, and others.

But, irrespective of approaches, institutions have common origins in social rules and social interaction. Douglass North argues that institutions reduce uncertainties inherent in human interaction²⁶.

Each of the four institutionalist approaches has its own characteristics and explanations regarding the role, the functioning and the effects of institutions.

The **rational choice** is the first form of institutionalism that appeared in the political sciences at the end of 1970s. The beginnings were represented in the specialized literature by the efforts of the American researchers in the field of political sciences to understand the origins and effects of the

²³ Nugent, N., *The Government and Politics of the European Union*, MacMillan Press Ltd., London, 1999, p. 516

²⁴ Hodgson, G., Samuels, W. & Tool, M., *The Elgar Companion to Institutional and Evolutionary Economics A-K*, Edward Elgar Publishing Limited, England, 1994, p. 399

²⁵ idem 24

²⁶ North, D., *Institutions, Institutional Change and Economic Performance*, Cambridge University Press, Cambridge, 1990

American legislative institutions. In some later works, Kenneth Shepsle and others shift their attention towards “the equilibrium of the institutions” namely towards the way in which institutions change or persists over time²⁷.

In conclusion, the rational choice regards the institutions are “any form of constrain that human beings devise to shape human interaction”²⁸. According to North, constrains could be formal rules (e.g., statute law, common law, regulations) or informal constrains (e.g., conventions, norms of behavior and self-imposed codes of conduct). In conclusion, institutions are “rules of the game without the players”.

The rational perspective of institutionalism is mostly dealing with the way in which the institutions form, direct and constrain the rational actions of the political actors²⁹. Hence, the approach defines the institutions as being “formal legal entities and set of decisional rules which impose obligations to the interested political actors”³⁰. From this perspective, some authors talk about the “transition costs” regarding the design of the political institutions, mentioning that the legislators deliberately and systematically create political institutions to minimize the transaction costs associated with the development of the public policies³¹.

In the case of the European Union, the most obvious example of such an approach is the Council of Ministers where, due to the presence of qualify majority voting, the governments are obliged to form strategic coalitions in order to reach individual interests.

The representatives of the rational choice regard the formation of preferences as being exogenous to the institutions. It is supposed that the actors will choose the rational way to achieve their interests. From this point of view, the institutions become a mean of constrain of the individual action of the state to follow their political and economic interests³². In the same time, the states pursue the establishment of institutions because the state actors understood the benefits that the can get from their existence³³.

In conclusion, the establishment of institutions is a necessity because, as Sandholtz notices, they “allow the governments to know in detail the scopes, aversions, tastes and internal constrains of the other participants”³⁴.

From the *historical institutionalism* perspective, Peter Hall defines institutions as the formal rules, compliance procedures and standard operating practices that structure the relationship between individuals in various units of the polity and economy³⁵. The difference between historical and rational choice definitions is on the question of how institutions affect political behavior and where institutions come from.

²⁷ Pollack, M., *New Institutionalism*, in Wiener, A.& Diez, T., *European Integration Theory*, Oxford University Press, 2004

²⁸ Hodgson, G., Samuels, W. & Tool, M., *The Elgar Companion to Institutional and Evolutionary Economics A-K*, Edward Elgar Publishing Limited, England, 1994, pp. 399

²⁹ Nugent, N., *The Government and Politics of the European Union*, MacMillan Press Ltd., London, 1999, pp. 516

³⁰ Rosamond, B., *Theories of European Integration*, The European Union Series, (ed) Neil Nugent, St. Martin's Press, Inc., New York, 2000, pp. 115

³¹ Pollack, M., *New Institutionalism*, in Wiener, A.& Diez, T., *European Integration Theory*, Oxford University Press, 2004

³² Thelen, K. & Steinmo, S., *Historical Institutionalism in Comparative Politics*, in Steinmo, S., Thelen, K. & Longstreth, F. (eds.), *Structuring Politics: Historical Institutionalism in Comparative Analysis*, Cambridge University Press, 1992

³³ Keohane, R.O., *After Hegemony: Cooperation and Discord in the World Political Economy*, Princeton University Press, New York, 1984

³⁴ Sandholtz, W., *Membership Matters: Limits of the Functional Approach to European Institutions*, *Journal of Common Market Studies*, 34 (3), 1996

³⁵ Hall, P., *Governing the Economy: The Politics of State Intervention in Britain and France*, Oxford University Press, New York, 1986

Historical institutionalism as theoretical approach can be placed between the rational choice and sociological institutionalism, being a theory that contains ideas coming from the other two approaches. It focuses on the effects of the institutions over time and especially on the way in which a certain set of institutions, once created, can influence or constrain the behavior of the actors that established them³⁶. Hence, the main ideas promoted by the historical institutionalism refer to the distributions of power produced by the institutional arrangements, to the modes in which these arrangements create dependence and certain unwanted consequences, as well as the relations between institutions and other factors which shape the political activities and results, such as the economic achievements and ideological beliefs³⁷.

The representatives of the approach focus mainly on the effects of institutions over the politics from a historical perspective, which takes into consideration a long period of time. From this perspective, they argue that the institutional choices made in the past can persist or can be “blocked”³⁸ so that they can influence and constrain the actors even later on, in time. Due to the capacity to resist in time, the institutions become resistant to change from two reasons: due to the uncertainty associated with the institutional design and due to the national constitutions and international treaties which can induce important transaction costs and can impose high institutional standards³⁹.

Paul Pierson introduced several key concepts such as “increasing returns”, “path-dependence”, “inertia” or “lock-ins”⁴⁰. In his works, Pierson talks of these phenomena as being variable and not constant, they can vary systematically according to the type of political institution or according to the policies at stake. Regarding the increasing returns, it is presupposed that the institutions and policies generate benefits for the actors, if the actors keep them and don’t abandon them, modifying them as little as possible in order to face the challenges in the external political environment. Hence, the national institutional system will be characterized by inertia or lock-in because the political institutions will stay unchanged, in a state of equilibrium for long periods of time, no matter what major political changes are taking place at national or international level. Regarding the path-dependence, this refers to the previous decisions taken by the successful decision makers and which offer a base for them to continue their institutional and political choices inherited from the past.

Margaret Levi defines the path-dependence as follows:

*“Path-dependence means, (...) that once a country or a region took a certain direction, the return costs will be very high. There will be possibilities to choose, but the fortification of certain institutional arrangements will limit each inversion of the initial choice”*⁴¹

In the case of the European Union, the historical institutionalism tries to explain the construction of the supranational institutions. Hence, these were established as a result of a certain historical context namely the reconstruction after the Second World War and the bipolarity induced by

³⁶ Hall, P. & Taylor, R. C. R., *Political Science and the Three New Institutionalisms*, *Political Studies* 44 (5), 1996

³⁷ Nugent, N., *The Government and Politics of the European Union*, MacMillan Press Ltd., London, 1999, p. 516

³⁸ Pollack, M., *New Institutionalism*, in Wiener, A. & Diez, T., *European Integration Theory*, Oxford University Press, 2004

³⁹ Pollack, M.A., *The New Institutionalism and EU Governance: The Promise and Limits of Institutional Analysis*, *Governance* 9 (4), 1996

⁴⁰ Pierson, P., *Increasing Returns, Path Dependence and the Study of Politics*, *American Political Science Review*, 94 (2), 2000

⁴¹ Levi, M., (1997) quoted in Pierson, P., *Increasing Returns, Path Dependence and the Study of Politics*, *American Political Science Review*, 94 (2), 2000

the European Coal and Steel Community. The institutional architects of the Community took the decision to formalize the integration process based on preferences and particular motivations⁴².

Another example is that of the decisions taken in the European Council meetings. Having a neofunctionalist character, the decisions taken by the head of states and governments describe the path-dependence. For example, the decision to realize the Single Market was followed by the decision of establishing the Economic Monetary Union which will determine the deepening of the integration process by moving to another stage, namely the political union stage. The European leaders were constrained to continue and to deepen the integration process because the return to a previous stage, such as the customs union, would impose costs too high, maybe even impossible to accept by the member states.

From the *sociological institutionalism* perspective, the institutions represent orders of models that reached a certain status or property. This approach concentrates: on the way, in which the institutional forms and practices can be sometimes explained from a cultural perspective⁴³, on the capacity of the cultural and organizational practices to shape the preferences, interest and identities of the actors. The sociological institutionalism defines the institutions in a broader sense, including in the definition the informal and formal norms and conventions.

The sociological institutionalism approach contains many of the characteristics of the social constructivism. In comparison with the rational choice, the sociological approach places the emphasis on the idea that the people act on the bases of a "logic of appropriateness", adapting their behavior to the specificity of the institutional environment. Hall and Taylor mentioned that the cognitive dimensions of the institutions "demonstrate the way in which they influence the behaviors by offering cognitive categories and models which are indispensable to the action"⁴⁴.

The core idea of the social institutionalism is that the reality is built on social bases. In this way, the scope is the finding of answers to the following questions: how do the actors interpret the world in which they act and which are the implications of these interpretations from the perspective of the choices made and of the constrains imposed by a certain action⁴⁵.

Jachtenfuchs considers that the institutionalists presents the argument according to which the institutions "have a symbolic role of guidance"⁴⁶. They offer to the actors the possibility to cooperate in a world characterized by turbulences. Hence, they contribute to the definition of actors regarding their existence (who they are) and which should be their interests.

In the case of the European Union, the social constructivism and social institutionalism have tried to explain the way in which the EU institutions and their norms have modified and changed the preferences and behaviors of the national and international actors.

In conclusion, the new institutionalism proceeds upon the assumption of exogenous tastes and technology, whereas the old institutionalism takes these parameters as endogenous. The new institutionalism ontology is atomistic, its methodology individualistic, in contrast to the organicist and institutionalist elements of the "old"⁴⁷. The new institutionalism talks about the equilibrium and mechanistic conceptions of process, in contrast to the biology-inspired evolutionism of the "old".

Regarding the appliance of the new institutionalism to the special case of the European Union, the scholars consider that EU is the ideal model to test different types of institutionalism due to the

⁴² Rosamond, B., *Theories of European Integration*, The European Union Series, (ed) Neil Nugent, St. Martin's Press, Inc., New York, 2000, p. 117

⁴³ Nugent, N., *The Government and Politics of the European Union*, MacMillan Press Ltd., London, 1999, pp. 516

⁴⁴ Hall, P. & Taylor, R. C. R., *Political Science and the Three New Institutionalisms*, *Political Studies* 44 (5), 1996

⁴⁵ Rosamond, B., *Theories of European Integration*, The European Union Series, (ed) Neil Nugent, St. Martin's Press, Inc., New York, 2000, p. 119

⁴⁶ Jachtenfuchs, M., *Conceptualizing European Governance*, in Jorgensen, K. E., *Reflective Approaches to European Governance*, Basingstoke: Macmillan, 1997

⁴⁷ Hodgson, G., Samuels, W. & Tool, M., *The Elgar Companion to Institutional and Evolutionary Economics A-K*, Edward Elgar Publishing Limited, England, 1994, p. 399

multitude of formal and informal connections between the institutions. The institutionalists tried to explain certain aspects of the EU way of functioning and, as a consequence, of the integration process among which: the legislative process of EU, the way it is presented in the treaties; the long term consequences of the institutional reforms; the negotiation styles in the Council of Ministers, the institutional culture of the European Commission; the impact of the activity of the European Court of Justice⁴⁸.

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⁴⁸ Rosamond, B., *Theories of European Integration*, The European Union Series, (ed) Neil Nugent, St. Martin's Press, Inc., New York, 2000, p. 115