



DIFFERENTIATED INTEGRATION MANAGEMENT THROUGH “SMART” APPROACH

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Differentiated integration is no longer an exception to the modern development of the European Union. The ongoing discussions are still in the field of “the pros and cons” although it would be more productive to discuss the management of differentiated integration as well as what tools and methods would turn it into an instrument for positive development of the integration process.

If we assume that the end justifies the means, then the application of differentiated integration on a case-by-case basis should have precise and justified objectives. Setting clear goals to the

application of differentiated integration can be related to the **Goal Setting Theory**, applied to management. It is widely recognized as one of the most useful theories of motivation in industrial and organizational psychology, human resource management and organizational behavior.

Edwin Locke develops his theory of goal setting to explain human actions in specific work situations. The theory states that goals and intentions stimulate human behavior. In the 1968 article “Toward a Theory of Task Motivation and Incentives”, he developed the thesis that properly set goals lead to better organizational effectiveness. Locke's research shows that clear, specific, though



difficult goals, lead to better performance than unclear, though easy goals. However, for this statement to be valid, the goals need to be accepted by those who will fulfill them, and constant feedback should be provided to eliminate any weaknesses in achieving them. In 1990, Locke and Latham published the book "Goal Setting and Goal Completion Theory", which further developed Locke's original ideas (Locke and Latham, 1990).

Based on this theory, George Doran develops the basic principles of **SMART goals**. According to Doran, meaningful goals are the framework of the desired results. When it comes to writing effective goals, corporate employees, managers, and supervisors just have to think about the acronym SMART. Ideally, every corporate purpose, department and section should be SMART (Doran, 1981). This brings us to the SMART method of defining goals: SMART - Specific, Measurable, Attainable, Realistic & Timely. Usually, SMART goals are meant to be specific, measurable, achievable, realistic and timely. But it should be emphasized that there are different interpretations of what the letters SMART really mean. For example, Robert Rubin (Rubin, 2002). puts behind the abbreviation SMART strategic, measurable, achievable, result oriented, time bound goals (Strategic, Measurable, Attainable, Results oriented, Time bound). Rubin's conclusion is that one of the important merits of the SMART method is that **it places a focus on goals and stimulates**

discussion for these purposes. He also concludes that not all SMART goals are equal and of equal weight. The SMARTER concept builds on the original idea of SMART goals, "E" and "R", again incorporating different characteristics depending on the goals set.

The Management by Objectives theory developed by Peter Drucker is largely based on goal setting theory. An important principle in this theory is that setting challenging but achievable goals encourages the motivation to achieve them. Peter Drucker develops five steps for the practical application of his theory (Drucker, 2007). **The first and main step** is to determine the strategic goals of the organization that derive from its mission and vision. Without setting clear strategic goals, it would not be possible to move on to the next steps. **The second step** is to accept the goals from those who will fulfill them. In fact, using the SMART method, according to Drucker, the goals must be acceptable, that is, to agree on them. They must be clearly recognizable at all levels and everyone should know what the concrete responsibilities are. Communication has an important place in this second step. **The third step** is to encourage participation in defining the specific goals of each member of the organization. This works best when the goals of the organization are discussed and shared at all levels. This approach increases engagement and commitment to meeting the goals. **The fourth step** is to set up

a progress monitoring system to identify emerging deviations in achieving the goals. **The fifth step** is to evaluate and build on the achievements.

We will try to adapt the SMART theories and methods discussed above to the management of European and, in particular, differentiated integration. First of all, there should be clear and specific goals for differentiated integration in a particular field. They must be motivating to achieve results. Communication and winning public opinion for their implementation are very important. Here's what the SMART method applied to differentiated integration goals might look like:

SMART goals of differentiated integration

S-Strategic Related to the overall political objective of integration, they require careful analysis to identify policies that would be more effective at European than at national level;

M- Manageable - Choosing a model that provides appropriate management of the process of achieving the goals;

A-Acceptable Earning citizens' support to achieve the goals;

R-Reasonable Proper dosing and administration of differentiated integration in order to truly contribute to the progress of the integration

process, careful study of the potential negative effects, benefits and costs;

T-Transparent Provide clarity, transparency and legitimacy in decision making.

This SMART integration framework can be further developed into the SMARTER integration framework by adding two more features:

E-Ethical Setting goals that do not neglect the fundamental values and principles of the EU and erode existing legislation at European level;

R- Resourced secured objectives that combine pragmatic differentiation with active solidarity, providing a high level of "permeability" and sufficient resources to prepare countries that wish but cannot join.

The application of goal-setting management theories and the SMART approach can help to "intelligently" apply differentiated integration, ensuring its positive impact on the integration process. This would allow the introduction of new terminology, a renewed concept and a new narrative. If it is properly implemented in accordance with predefined goals and requirements, if it contributes to the positive development of the integration project, if it eliminates obstacles and solves problems, if it achieves positive results, why not call it **smart integration?**

Four steps towards smart integration

First, the overall political objective of the European Union should be clearly defined - if the aim of building an "ever closer union" is confirmed, as enshrined in Art. 1 (2) of the Treaty on European Union, then it should not be allowed "opting out" from this goal and the policies that lead to its implementation. In this respect, Brexit is a very telling example. The systematic failure to participate in the core policies of the European Union has led in practice to the complete alienation of the United Kingdom from the integration project and its departure. Moreover, according to Art. 4 (3) of the EU Treaty, "pursuant to the principle of sincere cooperation, the Union and the Member States shall, in full mutual respect, assist each other in carrying out tasks which flow from the Treaties."

Secondly, on the basis of the general political objective of the European Union, it is necessary to **determine the specific policies and legislation that should apply to all Member States and for which it is not acceptable to refuse to participate**. Only temporary differentiation may be required for countries that are not sufficiently prepared. It would be imperative to assist them in overcoming their difficulties. This "foundation" of policies and related legislation should not allow the non-participation of countries which may but do not wish to participate. For example, Sweden

does not have an opting out clause from the euro area as the United Kingdom and Denmark have, but refrains from membership in the euro area. This requirement to participate in the core EU policies leading to an ever closer Union will in fact shape the future of the European Union.

A possible revision of the Treaty on European Union and the Treaty on the Functioning of the European Union does not exclude the possibility of even reaching two types of membership - full membership and associate or partial membership. This would be necessary in **three main cases** - the presence of countries that refuse deep integration, countries that are not prepared for deeper integration but would later become involved and those that are not or are hard to be admitted from the formed nucleus. Of course, the arguments of each group are different, but above all they relate to specific national interests. Such a possibility is envisaged in a European Parliament resolution on differentiated integration. This resolution states that EU membership requires full compliance with European law in all policy areas and states that do not commit to this requirement would be offered another form of partnership, however, related to adherence to the core values of the Union and the rule of law.

Third, the next step is to carefully identify the areas in which differentiation is acceptable. Differentiated integration should be the "second

best solution" and only be applied where it would contribute to the elimination of obstacles, would be beneficial to the whole integration project and will not lead to progressive fragmentation of the European Union.

Fourth, the transformation of differentiated integration into smart integration entails clearly defined goals and a careful study of the potential negative effects on countries that remain outside it. When pragmatism requires its implementation, **the ultimate goal of smart integration should be to involve more and more countries and to reach the full participation of all Member States.** Achieving this ultimate goal depends both on its successful implementation and on the provision of 'permeability' by those already participating in it. This can be supplemented by the choice of an appropriate institutional model for its implementation, so that the general interest of the European Union is not affected, as well as ensuring transparency in decision-making. This type of integration should only be taken as a necessary step in order to make more efficient decision-making and faster progress of the relevant integration project.

In recent decades, European integration has not only deepened and expanded significantly, but has also become increasingly differentiated. But whether we call it flexible, differentiated or smart integration, it must be applied cautiously,

intelligently and purposefully - in order to see in the future European Union, the good face of the two-faced Janus.