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Intergovernmentalism

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Reader's Guide

This chapter provides an overview of intergovernmentalist **integration theory**, focusing particularly on the classical and liberal variants of **intergovernmentalism**. It first introduces the basic premises and assumptions of intergovernmentalism, identifying its **realist** underpinnings and the **state-centrism** that provides the core of the approach, before examining in more detail the specific characteristics of the classical approach associated with the work of Stanley Hoffmann. The subsequent section also examines some of the ways in which intergovernmentalist thinking has contributed to different conceptualizations of **European integration**. The topics covered in this section are: confederalism; the domestic politics approach; institutional analyses that emphasize the 'locked-in' nature of nation states within the **integration** process; and **new intergovernmentalism**. Finally, the chapter provides an introduction to **liberal intergovernmentalism**, as developed by Andrew Moravcsik, which, since the mid-1990s, has become the main focal point for intergovernmentalist research. The chapter concludes by raising some of the criticisms of the liberal intergovernmentalist approach.

Introduction

From the mid-1960s to the present day, intergovernmentalism has continued to provide a useful conceptual account of the European integration process. For many years, students of European integration learnt about the two competing approaches that explained (and, in some cases, predicted) the course of European integration: **neo-functionalism** (covered in Chapter 4); and intergovernmentalism (the focus of this chapter). Although this dichotomy has been supplemented by newer approaches (see Chapters 6 and 7), intergovernmentalism—or rather contemporary variants of intergovernmentalism—continue to resonate within the mainstream academic discourse on European integration. It remains a dominant paradigm for explaining European integration.

This chapter provides a general introduction to the arguments and critiques of intergovernmentalist theory. It focuses on the works of Stanley Hoffmann, whose early writings date from the 1960s, and Andrew Moravcsik, who began to make an impact on the field in the early 1990s. It also unpacks some of the premises and assumptions underpinning intergovernmentalist thinking. The chapter begins by addressing the question, ‘What is intergovernmentalism?’ The section that follows introduces classical intergovernmentalism and its main criticisms. Hoffmann’s groundbreaking insights into the phenomenon of European integration, together with critiques of his work, led to new developments in European integration theory from the 1970s onwards. Although these might not always be termed ‘intergovernmentalist’ in any narrow sense of the word, they are premised upon a ‘state-centrism’ that owes much to Hoffmann’s work. Important examples of these ‘variants’ of intergovernmentalism are dealt with in the remainder of the chapter: the first highlights the confederal characteristics of the European Union; the second draws attention to the importance of domestic politics; the third groups together a more **institutionalist** kind of research that shows how states, still central actors, become ‘locked into’ the European integration process. The final section looks at the work of Andrew Moravcsik and, more specifically, at his ‘liberal intergovernmentalist’ (LI) theory of European integration. Although this is an extremely rich and influential theory, LI has been widely criticized. Some of these criticisms are addressed at the end of the chapter.

What is intergovernmentalism?

Intergovernmentalism provides a conceptual explanation of the European integration process (see Box 5.1). It is characterized by state-centrism. In other words, intergovernmentalism privileges the role of states and state actors within European integration.

Intergovernmentalism is drawn from classical theories of international relations and, most notably, from realist or **neo-realist** accounts of inter-state bargaining, albeit at only a very general level (Pollack, 2012). Realism views international politics as the interaction of self-interested states in an anarchic environment in which no global authority is capable of securing order (Morgenthau, 1985). States are rational, unitary actors that define their interests based on an evaluation of their position in the system of states (Dunne and Schmidt, 2011). State interest is therefore primarily about survival, with other concerns, such as economic growth, of secondary importance.

Neo-realism, like realism, sees states as self-regarding actors coexisting in an anarchical system (Waltz, 1979). According to neo-realists, **regimes** are arenas for the negotiation of zero-sum agreements, with the outcomes of those negotiations shaped by the distribution of state **power** within the regime. However, neo-realists also accept that there is some potential for order through international cooperation, if only as a



BOX 5.1 INTERGOVERNMENTALISM AS DESCRIPTION, THEORY, AND METHOD

Intergovernmentalism is not only associated with EU politics, but also refers to a type of decision-making that occurs within all international organizations. At a general level, intergovernmentalists apply this kind of framework to their understanding of the EU, albeit with some modification.

In this chapter, intergovernmentalism is defined as a theory of European integration. This means that intergovernmentalism offers a plausible explanation of regional integration (or international **cooperation**). Intergovernmentalism may also serve, however, as a *description* of or as a *model* of European integration. The former simply describes the current state of the EU, its institutions or policies. The latter understanding of intergovernmentalism is prescriptive, in that it *advocates* a more central role for national governments and a reduction in the role of the **supranational institutions** (the European Commission, the European Parliament, and the Court of Justice of the European Union). It might also imply the repatriation of European policies to the EU’s member states.

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ceptual explanations (see Box 5.1). In other words, the role of states and institutions. In classical theory, notably, from inter-state bargaining (Pollack, 2012). The interaction in an environment in securing order, a unitary actor in an evaluation process (Dunne and others) are primarily such as economic self-regarding system (Waltz, **games** are arenas of interactions, with the distribution of power. However, the potential for cooperation, if only as a

REALISM AS METHOD


with EU politics, that occurs within a network to their modification. It is seen as a theory of intergovernmentalism (or realism) may also be a model of European integration. The current state of understanding of it advocates a reduction in the power of the Court of Justice to simply the member states.

rational means to state survival (see Axelrod, 1984; Keohane, 1988). However, policy preferences (or interests) will often fail to converge, meaning that any attempt to build a community *beyond the state* is likely to be fraught with difficulties and may even intensify the sense of difference felt across state borders. Neo-realists accept that international institutions of all kinds are established to reduce the level of anarchy within the states system and see the European Union as just another of these institutions, albeit within a highly institutionalized setting (de Grieco, 1995, 1996). Their influence on intergovernmentalism is clear, even if intergovernmentalism and (neo-)realism are not one and the same thing (Church, 1996: 25).

According to intergovernmentalists, there are costs and benefits attached to involvement in European integration. (Note, however, that intergovernmentalists may prefer to talk of European 'cooperation', rather than of 'integration'.) Cooperation of this kind will rest on a weighing up of the pros and cons of membership, and on the extent to which European integration improves the **efficiency** of bargains struck among its member states. The main aim in engaging in this qualitative cost-benefit analysis is to protect national interests.

Cooperation within the EU, then, is essentially conservative and pragmatic. It rests on the premise that common solutions are often needed to resolve common problems. To put it another way, cooperation has nothing to do with ideology or idealism, but is founded on the rational conduct of governments as they seek to deal with the policy issues that confront them in the modern world. For intergovernmentalists, European integration is normal or even 'mundane' (O'Neill, 1996: 57) behaviour on the part of state actors. There is nothing particularly special about it, other than its highly institutionalized form. As international cooperation always occurs simultaneously on a variety of levels and taking many different forms, cooperation within the EU is deemed to be only one example of a more general phenomenon. This is why intergovernmentalists are reluctant to admit that there is a European integration *process*, as such. Rather, they see cooperation occurring in fits and starts, and not as a trend heading inexorably in one direction towards some sort of European political community or federal state.

As an institutionalized form of inter-state cooperation, European integration facilitated the survival of the Western European state during the Cold War (see


BOX 5.2 THE EUROPEAN RESCUE OF THE NATION STATE

In his seminal book *The European Rescue of the Nation State* (1992), the economic historian Alan Milward analysed European integration in the 1940s and 1950s. He argued that the European integration process 'saved', rather than undermined, the nation state. Governments at this time had many difficult problems to resolve, arising out of increased **interdependence** and increased disaffection from social actors. The successful delivery of policy programmes was a matter of survival for the states of Western Europe. European integration became a means to this end. As Rosamond (2000: 139) notes: 'The idea of integration as a progressive transfer of power away from the state managed by emerging supranational elites is given little credence by this hypothesis' (see also Chapter 6). Rather, the key actors in European integration are governmental elites.

Box 5.2). It is perhaps not surprising to find, therefore, that in the early 1990s some intergovernmentalists supported the view that European integration would not survive the end of communism in Central and Eastern Europe (CEE) (Mearsheimer, 1990).

At the heart of the intergovernmental hypothesis lies a particular conception of the **sovereignty** of nation states. Sovereignty is a very emotive word, particularly when used in the context of EU politics. It has various meanings, holding associations with notions of power, authority, independence, and the exercise of will. One useful definition views sovereignty as the legal capacity of national decision-makers to take decisions without being subject to external restraints; another claims that sovereignty is the right to hold and exercise authority. However, many use the word sovereignty as little more than a synonym for independence, and this is particularly the case in public discourse (for example, when journalists or politicians use the word).

Intergovernmentalists claim that the EU member states are the most important actors by far, but that they manage to engage in European integration without ceding sovereignty. This implies that states remain very much in control of the process. Accordingly, European integration implies at most a pooling or sharing of sovereignty, if that, as opposed to a transfer of sovereignty from the national to the supranational level (Keohane and Hoffmann, 1991: 277).

Intergovernmental cooperation can also involve a **delegation** of sovereignty (Pollack, 2002; Maher

et al., 2009). Intergovernmentalists accept that European integration implies a transfer of functions from the state **executive** and, to a lesser extent, from the parliaments of the member states, to the European institutions—to the Commission and the Court of Justice of the EU (CJEU) in particular. The argument is that national governments find it in their interest to hand over certain (regulatory) functions in order to make cooperation work more effectively—that is, to make the commitments into which they have entered more credible. This emphasis on delegation colours how intergovernmentalists understand the role of the EU's institutions. Rather than assuming that these institutions are capable of playing an independent or autonomous role within the European integration process, intergovernmentalists tend to stress that the so-called supranational actors, the Commission in particular, are little more than the servants of the member states. While these institutions may be permitted a more important role in less controversial areas of policy, the functions that they perform in more sensitive policy domains will be severely circumscribed. The European institutions that really matter, then, are the EU Council (of national ministers) and the **European Council** (of heads of state and government), while the role of the other European institutions is more peripheral.

KEY POINTS

- Intergovernmentalism has been influenced by realist and neo-realist assumptions that privilege the role of the state and national interest in explaining European integration or cooperation.
- Intergovernmentalists believe that sovereignty rests with the EU's member states.
- It may be in states' interests to cooperate and to delegate functions to European-level institutions.
- The supranational institutions are usually considered agents of the member states.

Classical intergovernmentalism and its critics

Intergovernmentalism, as a theory of or approach to the study of European integration, emerged in the mid-1960s, from a critique of neo-functional theory (see Chapter 4) and as a reaction to assumptions that

the European Community (EC) would eventually transform itself into a fully fledged federal state. By the end of the 1960s, it had begun to serve as an increasingly convincing explanation of European integration, more so than the neo-functional orthodoxy and reflecting more accurately, it seemed, the practice of European integration by that time. After the then French President General **Charles de Gaulle's** 'boycott' of the European institutions in mid-1965, the so-called '**empty chair**' crisis, and the signing of the Accord that came to be known as the **Luxembourg Compromise** in early 1966 (see Chapter 2), a tide turned in the history of European integration. The persistence of the national veto after 1966, instability in the international political economy, and institutional changes that privileged the Council of Ministers (now the EU Council) and institutionalized the European Council as key decision-makers within the Community all suggested the limits of supranationalism, and the continued primacy of state actors in European politics. That the Commission began to play a more cautious role after 1966 was also an important factor supporting the intergovernmental hypothesis.

It was Stanley Hoffmann who laid the foundations of the intergovernmentalist approach to European integration. Most of the state-centric variants of integration theory in and after the 1970s drew on his work. Hoffmann's intergovernmentalism, which is called 'classical intergovernmentalism' here, began by rejecting neo-functional theory, claiming that, in concentrating on the *process* of European integration, neo-functionalists had forgotten the *context* within which it was taking place. More specifically, intergovernmentalism rejected neo-functional claims that European integration was driven by a sort of snowball effect known as '**spillover**' (see Chapter 4), arguing that this was more an act of faith than a proven fact.

There was nothing inevitable about the path of European integration from this perspective and neither was there evidence of any political will to create a federal state in Europe (O'Neill, 1996: 63). If anything, the federalist rhetoric did little more than highlight the enduring qualities of the nation state in that it sought to replicate it on a European scale. As for neo-functionalism, not only did it ignore the global context within which European integration was occurring, but it also missed the importance of cultural differences that were continuing to influence how states perceived their interests. The neo-functional

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idea of 'the logic of integration' was contrasted with a more intergovernmentalist 'logic of diversity', which saw European integration as a dialectic of fragmentation and unity (Hoffmann, 1966). This diversity was a consequence of the unique context of internal domestic politics and of global factors (that is, the situation of the state in the international system), both of which contributed to inexorable centrifugal forces placing limits on European integration (Rosamond, 2000: 76).

Intergovernmentalism therefore offered a 'systematic contextualization' (Rosamond, 2000: 75) of the events of the mid-1960s, drawing on empirical studies of French presidential politics under President Charles de Gaulle. In this sense, it was much more than just an application of realist theory to the European Community case. In the post-1945 period, nation states were dealing with regional issues in very different ways than had earlier been the case. While traditional, exclusive notions of sovereignty now seemed obsolete, and there was a blurring of the boundaries between the national state and international organizations (Hoffmann, 1966: 908), this did not mean that nation states and national governments had lost their significance. **National sovereignty** and the nation state were being tamed and altered, but the latter were not being superseded (Hoffmann, 1966: 910–11). And while the national dimension may well have seemed less important in the immediate post-1945 period than it had in earlier times, it had not taken long for states to reassert themselves (Hoffmann, 1966: 867–9). Indeed, national states had proven themselves extremely resilient actors in international politics: 'The nation-state is still here, and the new Jerusalem has been postponed because the nations in Western Europe have not been able to stop time and to fragment space' (Hoffmann, 1966: 863). The nation state was said to be 'obstinate' not 'obsolete' (Hoffmann, 1966). Despite the fact that societal changes posed real challenges for the nation state, state governments remained powerful for two reasons: first, because they held legal sovereignty over their own territory; and second, because they possessed political **legitimacy**, because they were democratically elected (Bache et al., 2014: 14).

Although the successes of European cooperation, its distinctive characteristics, and the possibility that it may produce more than zero-sum outcomes were not to be underestimated (Hoffmann, 1995: 4), the events of the 1960s highlighted the *differences* between

member states as much as pointed to their *common interests*. This was an important argument, since 'preference convergence' was deemed a prerequisite for European integration. Thus, where states met with uncertainty and as supranational institutions began to develop agendas of their own, national governments' preferences would diverge; they would respond by going their own way.

The starting point for explaining European integration was the political rather than the technocratic. Whereas high politics (the political sphere) touched on national sovereignty and issues of national identity, low politics (the economic sphere) was more technocratic and much less controversial. There were clear boundaries between the more dramatic economic integration possible in areas of low politics and the 'impermeable' and very 'political' domain of high politics (O'Neill, 1996: 61), in which integration would not occur. While **functional spillover** might occur in the former, there could be no assumption that states would allow it to be transferred to the latter.

Although classical intergovernmentalism was based upon realist assumptions, it differed in its concept of the state. In this conception, states are more than just 'black boxes', containing no clear substantive content; rather, they represent communities of identity and belonging. They 'are constructs in which ideas and ideals, precedents and political experiences and domestic forces and rulers all play a role' (Hoffmann, 1995: 5). Hoffmann was particularly critical of the early theorists of European integration who had adopted a simplistic and unrealistic view of how governments defined their interests: interests were not reducible to power and place alone (Hoffmann, 1995: 5), but were calculated on the basis of various historical, cultural, and indeed political concerns.

However, this early form of intergovernmentalism has been subject to a number of critiques. Many of these involved a rejection of Hoffman's rigid demarcation between high and low politics. Even in the 1970s, there were claims that the existence of **European political cooperation (EPC)**, the forerunner to today's European foreign policy (see Chapter 17) and an area of 'high politics', seemed to disprove this particular aspect of his theory. More recent events—most notably, the establishment of the euro and the Common Foreign and Security Policy (CFSP)—point in that direction as well. Indeed, after the 1960s, even Hoffmann softened his position on this issue.

Classical intergovernmentalism has also been criticized for playing down the constraints imposed on states as a consequence of their increasing 'interdependence'. Moreover, it was argued that it failed to take into consideration the novelty and the complexity of the European integration project. European integration was about more than just the creation of a regional regime and bargains struck at the European level could not simply be reduced to a set of national interests (Rosamond, 2000: 79).

At this stage, intergovernmentalism was not a theory in any systematic sense (Church, 1996: 26), but was rather part of an approach that dealt with the wider phenomenon of regional cooperation. As such, it was extremely influential in shaping the way in which scholars of European integration thought about the (then) European Community and set the agenda for future research undertaken in the field of integration theory from the 1970s onwards. Thus accepting the limits of intergovernmentalism as it was constructed in the 1960s did not mean opting for a supranational theory of integration; rather, it allowed the door to be opened to new variants of intergovernmentalism, some of which are dealt with in the section that follows.

KEY POINTS

- Stanley Hoffmann was the key proponent of intergovernmentalism in the mid-1960s. His approach has been extremely influential, especially since the 1980s.
- Hoffmann distinguished between high and low politics, arguing that, while functional integration might be possible in less controversial areas (the economic sphere), states would resist any incursion into areas of high politics (the political sphere).
- Critics have questioned Hoffmann's use of the high/low politics distinction, based on empirical evidence, and for not taking into consideration the novelty and the complexity of the European integration project.

Beyond classical intergovernmentalism

This section presents some examples of how classical intergovernmentalism has been supplemented and adapted since the 1960s. While setting aside for the moment the most important example of this adaptation, liberal intergovernmentalism, which is dealt

with under 'Liberal intergovernmentalism and its critics', this section deals first with confederalism, second, with the 'domestic politics approach' to European integration, and finally, with analyses that have sought to explain how states become 'locked into' the European integration process.

Confederalism

As a model or framework for European integration, the idea of '**confederation**' seems closely allied to intergovernmentalism. A confederation may be viewed as a particular type of intergovernmental arrangement, in which national sovereignty remains intact despite the establishment of a common institutional framework. This could be understood as a concert of sovereign states (O'Neill, 1996: 71; Laursen, 2012). However, there can be no assumption that confederation will lead ultimately to greater unity, even if some authors talk of a 'confederal phase' within the integration process (Taylor, 1975; Chrysochoou, 2009). Rather, confederalism implies that the 'Community is stuck, between sovereignty and integration' (Wallace, 1982: 65).

Confederal approaches draw attention to the institutionalized nature of the European integration process, recognizing (in contrast to intergovernmentalism) its distinctiveness. Confederalism is a helpful supplement to intergovernmentalism, moving it beyond its inherent constraints, while retaining its state-centric core. There are many different ways of differentiating between confederalism and intergovernmentalism however. Confederalism may be more likely to involve supranational or international law. Alternatively, 'a confederalist approach may be said to apply where the scope of integration is extensive . . . but the level of integration is low' (Taylor, 1975: 343). It may also be characterized by a defensive posture from national governments against the further extension of the powers of supranational actors, by an interpenetration of European politics into the domestic sphere, and by an oscillation between advanced proposals for integration and retreats into national independence. Much of this argument is state-centric, assuming that the nation state is likely to be strengthened through confederation. At the same time, it adds to intergovernmentalist understandings of European integration by defining the framework within which cooperation and integration take place.

The domestic

in the 1970s a domestic politics approach was developed. Although not a new approach, the domestic politics approach's failure to take account of the European process was sought, as a consequence of the relationship between domestic politics and international politics (Bulmer-Lindsley, 1975). The origins of what is now known as the 'domestic politics approach' literature can be traced to this approach to intergovernmentalism and particularly to the work of Rosamond (2000).

The domestic politics approach is impossible to understand without taking account of the fact that it was therefore important to understand the dynamics of preference formation in-depth case studies. This allowed researchers to understand the terms of policy-making between the nation state and the European political system. European politics were of particular importance; and attitudes towards the European process were of particular importance.

There are a number of approaches, which, when used in conjunction with the domestic politics approach, work for analysis. First, the national state is the focus of the EC/EU. Second, the national state is defined in terms of its unitary nature and it is these differences that are of importance. Third, European political activity is defined in terms of the juncture of the national state and the European process. Finally, an important aspect of the domestic politics approach is that it demonstrates how the national state had failed to lose its sovereignty to the European integration process. This chapter then discusses this approach in relation to (neo-)classical intergovernmentalism.

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The domestic politics approach

In the 1970s and 1980s, an approach that focused on domestic politics and policy-making became fashionable in the field of European integration studies. Although not a theory of European integration *per se*, the approach was critical of intergovernmentalism's failure to capture the transnational nature of the European policy process (Church, 1996: 26) and sought, as a consequence, to focus attention on the relationship between domestic politics and EC policy-making (Bulmer, 1983). In this, we can identify the origins of what today would be called the 'Europeanization' literature (see Chapter 8). We might also see this approach as one that links classical intergovernmentalism to later state-centric approaches—and particularly to liberal intergovernmentalism (Rosamond, 2000: 76).

The domestic politics approach argued that it was impossible to understand the European Community without taking domestic politics into consideration. It was therefore important to identify the domestic determinants of preference formation through undertaking in-depth case studies of the European policy process. This allowed researchers to identify variations in patterns of policy-making, emphasizing the linkages between the national and supranational dimensions of European politics. Two dimensions of domestic politics were of particular interest: policy-making structures; and attitudes towards the EC (Bulmer, 1983).

There are a number of elements involved in this approach, which, when taken together, provide a framework for analysing the behaviour of member states. First, the national **polity** is considered the basic unit of the EC/EU. Second, each national polity is different in terms of its unique socio-economic characteristics, and it is these differences that shape national interests. Third, European policy is only one facet of national political activity. Fourth, the national polity lies at the juncture of national and European politics. And finally, an important lens through which one might understand these elements is that of the 'policy style' concept (Bulmer, 1983: 360).

The importance of the domestic politics approach is that it demonstrated how intergovernmentalists had failed to look in any coherent way *within* the member states when analysing the European integration process. Although it was stated earlier in this chapter that intergovernmentalism is closely related to (neo-)realism in international relations,

newer variants of intergovernmentalism have also been greatly influenced by neoliberal ideas. **Neoliberalism**, as an approach to the study of international relations, is concerned with the *formation* of state preferences or 'national interests'. It therefore places the national polity, rather than only national executives, or governments, at the heart of the European integration project. This is a point that will be picked up again when we come to look at the liberal intergovernmentalist approach.

The 'locking-in' of states

As a more recent example of how intergovernmentalism has evolved, a number of analyses explain how states have become *locked into* the European integration process. These draw heavily on a particularly German approach to the study of federalism, in which 'interlocking politics' (*Politikverflechtung*) characterizes interactions between different levels of government (Risse-Kappen, 1996). While these approaches rest on state-centric premises, they move quite far beyond classical intergovernmentalism and show how European integration is about much more than inter-state bargains. In the process, they emphasize the importance of institutional factors (see Chapter 6), and show how intergovernmentalist ideas may provide a starting point from which new arguments about and analyses of the European integration process develop.

An example of this kind of approach has been labelled the 'fusion hypothesis' (Wessels, 1997). This rests on state-centric premises in that it sees national interests as the primary driving force of integration, but it also links integration processes to the evolution of the state. The argument is that, after 1945, Western European states became increasingly responsible for the welfare of their citizens, enhancing their legitimacy as a consequence. For the welfare state to persist, however, national economies had to be strong. In order to maintain economic growth, states recognized the need to open up their markets, which led governments to rely more and more on the joint management of shared policy problems. This amounted to much more than just a pooling of sovereignties. As states became more interdependent, they lost the ability to act autonomously, blurring the lines of **accountability** and responsibility that connect citizens to the state. These trends are increasingly difficult to reverse.

Also grounded in state-centrism is an approach that draws an analogy between German federalism and the European Union. This explains how European integration has become almost irreversible because of the intense institutionalization to which it has been subject. European decision-making offers states the ability to solve problems jointly; yet the outcomes of these decisions are likely to be suboptimal, in that they do not emerge from any assessment of the best available solutions, but are reached through a process of bargaining that inevitably leads to the striking of compromises. In other words, as national interests determine policy positions, creative (and rational) problem-solving is not possible (Scharpf, 1988: 255). As such, no member state is likely to be entirely satisfied by what European integration has to offer. Over time, this will contribute to the slowing down of the integration process. However, the institutionalization of the decision-making process means that retreating from integration is not an option. As such, states are trapped in a European Union from which they cannot escape, in a paradox characterized as ‘frustration without disintegration and resilience without progress’ (Scharpf, 1988: 256)—that is, a ‘joint decision trap’.

More recently still, historical institutionalists have sought to explain how states become locked into the European integration process through a process of path dependence. One element in this argument is that the more states integrate, the more future options become constrained by past decisions (Pierson, 2004; see Chapter 6). The only way of escaping this integration path is when there is a dramatic break with past practice, when a so-called ‘**critical juncture**’ occurs.

New intergovernmentalism

A recent attempt to re-theorize intergovernmentalism has been labelled the ‘new intergovernmentalism’ (see Bickerton et al., 2015a). One element of the new intergovernmentalism is the deliberative intergovernmentalism which Puetter (2014) sees as a defining characteristic of decision-making in the European Council and EU Council. More broadly, the authors associated with this approach claim that the post-Maastricht period, that is, the period after 1991, has been characterized by both constitutional stability and an unrelenting expansion of EU activity, with the latter taking the form of intensified policy coordination among

member states. This coordination has been possible because of the deliberative and consensual quality of EU decision-making (deliberative intergovernmentalism). Where policy functions have been delegated, it is not the traditional supranational institutions who have gained, but rather, new bodies, such as agencies, set up to meet specific functional aims (see Chapter 7). This, they argue, constitutes a distinct phase of European integration in which integration occurs *without* supranationalism, something the advocates of this approach they refer to as an integration paradox.

This integration paradox, the authors argue, is the result of changes in both Europe’s political economy, and within the domestic political arena in the EU member states. In the former, an ideational convergence around neo-liberalism, greater institutional diversity and an unravelling of post-war compacts (on the mixed economy, for example) have opened the door to a new phase in European integration. In the former, public disaffection with politics and the rise of Euroscepticism have led to a separation of politics (at the national level) from policy-making (at the European), and the promotion of more informal decision-making by elites in the case of the latter. This too has contributed to this new European integration phase. In sum, the aim of the new intergovernmentalism is to identify the causal mechanisms that mediate between these political economy and domestic politics changes and the EU.

The new intergovernmentalism is ambitious in its attempt to explain in very broad terms the latest phase in European integration. However, to its critics it remains at best a work-in-progress which is under-theorized and at an early stage of development. Some even suggest that it might be better to draw on the insights of the new intergovernmentalists to adapt liberal intergovernmentalism to a new era of EU politics. Schimmelfennig (2015), in particular, remains unconvinced as to whether the new intergovernmentalism is either new or even intergovernmental. He argues that European integration in the post-Maastricht period is not that different from the earlier period; and that the new intergovernmentalists fail to demonstrate that the changes that have taken place since the early 1990s are—other than in certain policy areas—more intergovernmental. Questions remain, therefore, as to whether the new intergovernmentalism will challenge liberal intergovernmentalism as the dominant intergovernmental theory of European integration.

KEY POINTS

- Confederalism and intergovernmentalism institutionalized
- The domestic path to study European integration making within the
- Wessels’s fusion and Pierson’s path over time, becoming a process.
- New intergovernmentalism distinctive features of the Maastricht period

Liberal intergovernmentalism and its critics

In 1988, Robert Putnam published an article in which he argued that liberal intergovernmentalism and international level games’ (Putnam, 1988). How states define their interest) at home and abroad. The second is path dependence involves the structure of the system. This insight provides a new understanding of the entanglements of international interactions, as well as a new understanding of liberal intergovernmentalism.

Liberal intergovernmentalism

Since the early 1990s, liberal intergovernmentalism (LI) has become a dominant theory of European integration. It has become a touchstone and has been judged, even though its assumptions, its strengths and weaknesses and Schimmelfennig (2015) argue that the approach that has emerged in the post-Maastricht period, in particular, is a neo-liberal element of the interface between national and European politics. From this perspective, the new intergovernmentalism is a successful intergovernmental theory of European integration.

KEY POINTS

- Confederalism complements and extends intergovernmentalism, by acknowledging the institutionalized character of the European Union.
- The domestic politics approach claims that it is impossible to study European integration without looking at policy-making within the member states.
- Wessels's fusion hypothesis, Scharpf's joint decision trap, and Pierson's path dependence explain how states have, over time, become locked into the European integration process.
- New intergovernmentalism seeks to explain the distinctive features of European integration in the post-Maastricht period.

Liberal intergovernmentalism and its critics

In 1988, Robert Putnam published an influential article in which he explored the dynamics of domestic and international politics using the metaphor of 'two-level games' (Putnam, 1988). The first game deals with how states define their policy preferences (or national interest) at home within the domestic environment; the second is played on the international stage and involves the striking of inter-state bargains. This insight provides a framework for analysing the myriad entanglements involved in domestic–international interactions, as well as offering a starting point for understanding liberal intergovernmentalism.

Liberal intergovernmentalism

Since the early 1990s, liberal intergovernmentalism (LI) has become one of the most important theories of European integration (Moravcsik, 1998). It has been a touchstone against which all integration theory has been judged, even for those who do not agree with its assumptions, its methods, or its conclusions (Moravcsik and Schimmelfennig, 2009). Drawing on and developing earlier intergovernmentalist insights, it offers an approach that is much more rigorous than those of its antecedents, incorporating within it both realist and neoliberal elements, and dealing explicitly with the interface between domestic and international politics.

From this perspective, the European Union is a successful intergovernmental regime designed to manage

economic interdependence through negotiated policy coordination. The theory assumes that states behave rationally, while emphasizing the importance of both the preferences and the power of states. While national politicians advance state interests that reflect domestic policy preferences, all decisions made by the EU are ultimately the result of bargaining among states. Agreements are usually reached on a 'lowest common denominator' basis, with clear limits placed on the transfer of sovereignty to supranational agents. Thus '[t]he broad lines of European integration since 1955 reflect three factors: patterns of commercial advantage, the relative bargaining power of important governments, and the incentives to enhance the credibility of inter-state commitment' (Moravcsik, 1998: 3). When economic or commercial concerns converge, integration takes place.

There are two separate dimensions to LI: the supply side and the demand side. The argument is that both the demand for cooperation, which derives from the national polity, and the supply of integration, arising out of inter-state negotiations, are important in understanding European integration. To explain the link between demand and supply in this context, the theory is composed of three steps, each of which is explained by a different set of factors and each of which draws on complementary theories of economic interest, relative power, and credible commitments (Moravcsik, 1998: 4).

First, deriving from liberal theories of national preference formation, the theory shows how state goals can be shaped by domestic pressures and interactions, which, in turn, are often conditioned by the constraints and opportunities that derive from economic interdependence (Nugent, 2010). Thus underlying societal factors provoke an international demand for cooperation. National political institutions are subject to myriad pressures from domestic interests, leading to a process of preference formation. State preferences are formed as groups compete with each other for the attention of government elites and these feed into inter-state negotiations. To put it another way, national policy preferences are constrained by the interests of dominant, usually economic, groups within society. Resting on a pluralistic understanding of state–society relations, national governments represent these interests in international forums. Thus national interests are derived from the domestic politics of the member states and not the state's perception of its relative position in the states system—that is, from geo-political concerns. Thus 'the vital interest behind General de

Gaule's opposition to British membership in the EC . . . was not the pursuit of French *grandeur* but the price of French wheat' (Moravcsik, 1998: 7; see Box 5.3).

Second, the supply side in LI rests on *intergovernmentalist theories of inter-state relations*, with European integration supplied by intergovernmental bargains, such as revisions to the Treaty (Moravcsik, 1998: 7). More specifically, this 'draws on general theories of bargaining and negotiation to argue that relative power among states is shaped above all by asymmetrical interdependence, which dictates the relative value of agreement to different governments' (Moravcsik, 1998: 7). It emphasizes the centrality of strategic bargaining among states and the importance of governmental elites in shaping inter-state relations. States are now considered to be unitary actors and supranational institutions are deemed to have a very limited impact on outcomes. This generally involves a two-stage process of negotiation: first, governments must resolve the policy problems that confront them; they do this by taking decisions, and only then do they try to reach agreement on institutional mechanisms that would allow them to implement those decisions. Various bargaining strategies and techniques, such as 'coalitional

BOX 5.3 MORAVCSIK'S FIVE CASE STUDIES

In his 1998 book *The Choice for Europe*, Andrew Moravcsik applies his theory of LI to five cases in the history of the European integration process, as follows.

1. the negotiation of the **Treaty of Rome** (1955–58);
2. the consolidation of the **common market** and the Common Agricultural Policy (CAP) (1958–69);
3. monetary cooperation and the setting up of the **European Monetary System (EMS)** (1969–83);
4. the negotiation of the **Single European Act (SEA)** (1984–88); and
5. the negotiation of the Treaty on European Union (TEU) (1988–91).

In each case, Moravcsik—drawing on secondary historical and some documentary sources—argues that what was important in driving elite support for European integration was national economic interest. This line of argument was contrary to the conventional wisdom usually put forward by historians at the time that geopolitical factors were what mattered most in explaining European integration. Moravcsik makes the case that geopolitics, such as France's pursuit of a policy of *grandeur*, although not irrelevant, were merely a secondary consideration as national governments established their bargaining positions on history-making decisions.

alternatives to agreement'—that is, the linking of issues and threats of exclusion and inclusion—shape outcomes. A bargaining space, a sort of window of opportunity, is formed out of the amalgamation of national interests, with the final agreement determining the distribution of gains and losses. This implies a restrictive range of possible integration outcomes, although inter-state bargains can lead on occasion to **positive-sum outcomes**. Governments bargain hard to gain the upper hand. The power of individual states is crucial in determining whose interests win out in the end. This means that LI focuses most of its attention on the preferences of the largest and most powerful EU states: the UK, France, and Germany. In stressing the points that integration *benefits* states, that states face few constraints in the Council, and that inter-state negotiations enhance their domestic autonomy, the question of why governments engage in European integration when it might otherwise seem like an irrational thing to do is addressed by this part of the theory (Rosamond, 2000: 138).

A third element within LI is that of *institutional delegation*. The argument here is that international (European) institutions are set up to improve the efficiency of inter-state bargaining. Governments delegate and pool sovereignty in these institutions to secure the substantive bargains that they have made by ensuring that all parties commit to cooperation (Moravcsik, 1998: 3–4). Thus, in the case of the EU, the European institutions create linkages and compromises across issues on which decisions have been made under conditions of uncertainty and in instances in which non-compliance would be a temptation. In other words, institutional delegation reflects the desire for 'credible commitments'.

In this respect, LI has been influenced by liberal institutionalism (Keohane, 1989). This sees institutions as ways of facilitating positive-sum bargaining ('upgrading the common interest') among states, whilst denying that they undermine in any way the longer-term self-interest of the member states. From this perspective, then, '[t]he entrepreneurship of supranational officials . . . tends to be futile and redundant, even sometimes counterproductive' (Moravcsik, 1998: 8).

Critiques of liberal intergovernmentalism

Although LI has been much criticized, it remains an extremely useful way in which to organize data and

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to construct empirical studies, based on a deductive (theory-testing) methodology and thus been regarded as a baseline theory of regional integration. At the same time, it offers a framework that can be hard, if not impossible, to reconcile with alternative interpretations of European integration and EU politics.

Perhaps the most commonly repeated criticism of LI is that it simply does not fit the facts. One perspective on this is that LI may have explained the earlier treaty changes, but as the EU increasingly came to focus on non-economic issues, this was much less the case (Finke, 2009). In other words, LI has too narrow a focus to be called a theory of European integration, because it is too selective with its empirical references (Nugent, 2010: 433). Liberal intergovernmentalism is applied only to those cases that will result in proving the theory correct. It has been claimed by Scharpf (1999: 165), for example, that applying the theory to cases of *intergovernmental negotiation*, in which economic integration is the main concern and in which decisions were taken on the basis of unanimous voting in the Council, will invariably confirm the theory; 'Given this focus for his attention, it is hardly surprising that Moravcsik comes to the view that the EC is primarily motivated by the aggregation and **conciliation** of national interests' (Wincott, 1995: 602). The assumption is, then, that, in 'harder' cases, where international negotiations are not the primary form of decision taking and where majority voting applies, LI may not produce such clear-cut results. The critique is often articulated in the following way: that liberal intergovernmentalism may explain the majority of 'history-making' decisions—that is, high-profile changes of constitutional significance, which often involve treaty change and which occur through inter-state negotiations—but it is much less able to explain how the EU works in matters of day-to-day politics.

The second criticism often directed at LI is that its conception of the state is too narrow. Liberal intergovernmentalism pays little attention to the way in which the state may be broken down into its component parts. Critics argue that, in order to understand fully how governmental positions (or preferences) are determined, a more nuanced analysis of domestic politics is required. Indeed, '... in some ways it [LI] was less sophisticated in its account of domestic politics than Hoffmann's' (Bache et al., 2014: 15). In LI, the primary determinant of government preferences is *socio-economic* interests. In practice, however, diverse influences are likely to impinge on national preference formation. For example,

domestic, political, or economic structures may be important. On this basis, the LI account is too simplistic, because it focuses solely on economic and (to a lesser extent) geopolitical concerns (Wincott, 1995: 600–1). Moreover, the 'two-level game' metaphor does not depict the reality of EU politics today if one accepts the premises of **multilevel governance** theorists that the EU is a multilevel polity (see Chapter 7).

A third critique of LI is that the theory understates the constraints faced by national policy-makers. The case of the **single market** programme is often used to back up this argument. It is frequently argued that LI plays down to too great an extent the role of supranational actors within the European integration process. In other words, it does not provide a full enough account of the supply side of the model when focusing solely on inter-state negotiations. As the roles of the European Commission and the CJEU are deemed relatively unimportant, if not entirely irrelevant, in terms of policy outcomes, their interests and strategies do not figure particularly strongly in LI explanations. This view of the supranational institutions' potential influence over integration outcomes has frequently been contested.

The LI depiction of the Commission as little more than a facilitator in respect of significant decision-making has attracted particular criticism, with numerous empirically based studies claiming to show that the Commission does exercise an independent and influential decision-making role, be it as *animateur*, a policy entrepreneur, or a motor force (Nugent, 2010: 135–7). For example, there is empirical evidence of how the Commission has been able to influence policy outcomes by means of its policy entrepreneurship and how it is able to exploit the differences between the preferences of member states to promote its own independent agenda (Sandholtz and Stone Sweet, 1998). There is also some evidence that the CJEU has been able to have an independent influence on European integration through its innovative legal rulings in cases such as those pertaining to human rights (Burley and Mattli, 1993; Wincott, 1995; see also Chapter 12). A similar point also applies to non-state 'transnational' actors, such as European firms and European **interest groups**. Business groups in the 1980s, for example, were particularly important in influencing the single market (1992) project (Cowles, 1995; Armstrong and Bulmer, 1998; see also Chapter 13).

[!]Intergovernmental theory cannot explain the activities of the key non-state actors in the 1992 process. The

single market programme was not merely the result of conventional statecraft. Nor were Member States' actions predicated solely on the basis of domestically defined interest group activity, as suggested by a recent version of intergovernmentalism [LI] . . . Indeed, the story of the ERT [European Round Table of Industrialists] points to the fact that non-state actors—and in particular, multinational enterprises—also play two-level games in EC policy-making (Cowles, 1995: 521–2).

This concerns not just which actors and institutions matter in the process of European decision-making, it is also about how much weight can be placed on the more formal aspects of European decision-making at the expense of the informal, 'behind the scenes' dimension. If informal politics help to shape policy outcomes, this may mean that actors who appear on the surface to be responsible for decision-taking may not really be in control. As such, the substance of interstate negotiations may already have been framed well before **intergovernmental conferences (ICGs)** and European summits meet to take their formal decisions (see also Box 5.4).

Finally, LI has been criticized for not really being a theory at all (Wincott, 1995). This assumes that a rigorous theory ought to spell out the conditions under which it might be refuted or disproved. Some critics

BOX 5.4 THE MAASTRICHT TREATY AND THE UK'S BARGAINING POSITION: A CRITIQUE OF LIBERAL INTERGOVERNMENTALISM

In Forster's interesting 1998 study, the LI hypothesis was applied to three policy cases, each of which covers one aspect of the UK's role in the negotiation of the **Maastricht Treaty**: (a) social policy; (b) foreign and security policy; and (c) the powers of the European Parliament (Forster, 1998). The research casts doubt on LI's explanation of national preference formation; it questions the extent to which governments always act as purposive and instrumental actors; and it challenges the LI understanding of bargaining.

say that liberal intergovernmentalism does not do this, but engages in an act of closure on certain types of argument about European integration. As such, LI should be considered an 'approach' rather than a theory—one that brings together three existing theories (preference formation, intergovernmental bargaining, and institutional delegation) to provide a 'pre-theory' or 'analytical framework' that can be applied to the European integration process (Forster, 1998: 365). Not surprisingly, many of these criticisms about LI are contested by the proponents of the theory—not least by Andrew Moravcsik himself (see, for example, Moravcsik and Schimmelfennig, 2009).

KEY POINTS

- Liberal intergovernmentalism provides an explanation of European integration based on national preference formation, inter-state bargaining, and institutional delegation.
- Liberal intergovernmentalism supplements a rich account of bargaining inside the European and EU Councils, with a concern for how national interests (or preferences) are formed from the pressures placed on governments by domestic economic interests.
- Liberal intergovernmentalism is criticized for focusing only on 'history-making decisions' (treaty change in particular), and for ignoring day-to-day politics and the multilevel character of the European Union.
- Liberal intergovernmentalism is criticized for not being a theory of European integration, but rather an approach to studying European integration.

Conclusion

This chapter has reviewed the theory of European integration known as 'intergovernmentalism'. It has shown how intergovernmentalist premises (and, more specifically, state-centrism) have provided the foundations for a range of theories and models that have sought to explain the nature of EU decision-making and the European integration process. A particularly

important variant, liberal intergovernmentalism, became dominant in the mid-1990s, and remains a touchstone for all researchers and students of European integration to this day (Pollack, 2012).

While intergovernmentalist approaches continue to provide inspiration for many scholars of European integration, new theories have tested the resilience of

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intergovernmentalist arguments. Intergovernmentalism has been flexible enough to adapt, however. It has increasingly been allied to rational institutionalist approaches (Puchala, 1999; Pollack, 2009; see Chapter 6), with the latter more able to account for day-to-day policy-making, while based on many of the same premises. Moravcsik and Schimmelfennig (2009) also

say that it is in line with recent research on Europeanization (see Chapter 8). Even though there are many scholars who contest the (liberal) intergovernmentalist account of European integration, no student of the integration process can claim to be well informed without an understanding of the contribution that it makes to current thinking on the European Union.

? QUESTIONS

1. How convincing are intergovernmentalist accounts of European integration?
2. Why has liberal intergovernmentalism been so influential?
3. What value does the 'domestic politics' approach add to classical intergovernmentalism?
4. How useful a model for explaining the EU is confederalism?
5. What are the main elements of classical intergovernmentalism?
6. How central is the nation state within the process of European integration?
7. How new is new intergovernmentalism?
8. How justified are the most common critiques of liberal intergovernmentalism?

≡ GUIDE TO FURTHER READING

Hoffmann, S. (1995) *The European Sisyphus: Essays on Europe 1964-1994* (Oxford: Westview Press) An excellent collection of Stanley Hoffmann's work, showing how his ideas changed (or not) over the years. Includes seminal articles published in the 1960s, which set the scene for future intergovernmentalist writings.

Moravcsik, A. (1998) *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht* (London: UCL Press) The seminal liberal intergovernmentalist book, by the founder of the approach. Chapter 1, 'Theorizing European integration', both covers a critique of neo-functionalism and sets out the characteristics of LI in some detail.

Moravcsik, A. and Schimmelfennig, F. (2009) 'Liberal intergovernmentalism' in A. Wiener and T. Diez (eds) *European Integration Theory*, 2nd edn (Oxford: Oxford University Press), pp. 67–87 An interesting chapter on liberal intergovernmentalism, which uses agriculture and enlargement as case studies to show how LI might be applied to contemporary European issues (see Chapter 7).

Puetter, U. (2014) *The European Council and the Council: New Institutionalism and Institutional Change* (Oxford: Oxford University Press) This book offers a new account of European Council and Council decision making covering the period since the Maastricht Treaty was signed. It draws on the concept of deliberative intergovernmentalism, one element of the new intergovernmentalism, to trace institutional change since the early 1990s.

Rosamond, B. (2000) *Theories of European Integration* (Basingstoke: Macmillan) The most recent, overarching text on European integration theory, with numerous references to intergovernmentalism and a specific chapter devoted to 'Intergovernmental Europe'.