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## 3

# Neofunctionalism

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### Introduction

Amongst the earlier theories of regional integration, neofunctionalism is distinguished both in its sophistication and ambition, and in the amount of criticism that it has attracted. The theory was first formulated in the late 1950s and early 1960s mainly through the work of Ernst Haas and Leon Lindberg in response to the establishment of the European Coal and Steel Community (ECSC) and the European Economic Community (EEC). The theory was at its prime until the mid-1960s, during which time the evolution of European integration seemed to vindicate its assumptions. Shortly before the publication of Haas' seminal book, *The Uniting of Europe*, in 1958, cooperation on coal and steel under the ECSC had 'spilled over' into the EEC and the European Atomic Energy Community (Euratom). In addition, the formation of the customs union ahead of schedule and the progress made on the Common Agricultural Policy supported the neofunctionalist claims. From the mid-1960s, the theory began to become increasingly criticised, particularly in face of several adverse empirical developments, the culmination of which was the 'empty chair' crisis of 1965-66 when French President Charles de Gaulle effectively paralysed the Community. In the late 1960s and early 1970s neofunctionalists made attempts to revise some of their hypotheses and claims, but in the mid-1970s Haas declared the theory to be "obsolete". With the resurgence of the European integration process in the mid-1980s, however, neofunctionalism made a substantial comeback. Since the 1990s, some endeavours have been made to newly revise the original approach.

We proceed as follows: after identifying neofunctionalism's intellectual roots in Part 1, we specify early neofunctionalism's core assumptions and hypotheses, including its central notion of "spillover" (Part 2). In Part 3 we review the criticisms that have been levelled against it before turning to later revisions of the theory (Part

4). Part 5 looks at some most-likely cases; and Part 6 analyses the case of enlargement.

## **1. Intellectual roots**

Neofunctionalism finds its intellectual antecedents at the juncture between functionalist, federalist and communications theories, while also drawing indirectly on the 'group theorists' of American politics. Haas and Lindberg, the two most influential and prolific neofunctionalist writers, combined functionalist mechanisms with federalist goals. Like functionalism, neofunctionalism emphasises the mechanisms of technocratic decision-making, incremental change and learning processes. However, although the theory has been dubbed neofunctionalism, this is in some respects a case of 'mistaken identity' (cf. Groom 1978), since it departed significantly from Mitrany's functionalism (Mitrany 1966, 1975). Whereas functionalists held that form, scope and purpose of an organisation was determined by the task that it was designed to fulfil, neofunctionalists attached considerable importance to the autonomous influence of supranational institutions and the emerging role of organised interests. While the former did not limit integration to any territorial area, the latter gave it a specifically regional focus. Moreover, where Mitrany attached importance to changes in popular support, neofunctionalists privilege changes in elite attitudes.

Another important figure in neofunctionalism's intellectual inheritance was Jean Monnet. The importance of functional spillover, which will be elaborated below, was already recognised by Monnet before it was given an explicit academic label. And, neofunctionalism was not only an analytical framework. It was also a normative guide for action. Both Haas and Lindberg reveal considerable sympathy for the project of European unification in their writings. Although Haas argued that the purpose of his theory was merely to describe, explain and predict (Haas 1970: 627-28), it was also meant to prescribe (cf. Tranholm-Mikkelsen 1991: 4).

## **2. Early neofunctionalism**

To determine exactly what neofunctionalism stands for is no straightforward undertaking, as the theory has come to mean different things to different people.

There are a number of reasons for this. Firstly, it became increasingly difficult to distinguish what exactly qualified as neofunctionalist thought since the theory underwent a series of reformulations in the late 1960s and early 1970s. The original versions of Ernst Haas and Leon Lindberg were revised and modified by a number of writers, such as Philippe Schmitter, Stuart Scheingold and Joseph Nye, but also by Haas and Lindberg themselves. Secondly, there have been internal disagreements within the neofunctionalist school of thought. Neofunctionalist scholars differed on the dependent variable problem (the question of the end state of integration), whether, and to what extent, loyalties shifted to the new centre,<sup>1</sup> and whether de-politicisation or politicisation constituted a precondition for the spillover process.<sup>2</sup> Thirdly, the uncertainty about the substance and boundaries of neofunctionalist thought also gave rise to much semantic confusion. Terms such as ‘spillover’ and ‘*engrenage*’, for example, have been taken to mean different phenomena. Conversely, similar or identical ideas have been disguised by different terminologies. A fourth problem arises from very selective and narrow interpretations of the approach by some of its critics.<sup>3</sup>

To alleviate the existing confusion, we seek to define key neofunctionalist terms, assumptions and hypotheses during the course of this chapter. As a starting (and reference) point we go back to early neofunctionalist theorising from Haas’s seminal 1958 *The Uniting of Europe* to roughly the late-1960s.

### ***Definition of integration***

Neofunctionalism offers no single authoritative definition of integration. Its practitioners have revised their definition over time. Both Haas and Lindberg held integration to be a process as opposed to an outcome or (end-)state. They also agreed that integration involved the creation and role-expansion of regional institutions. Moreover, they both stressed change in expectations and activities on the part of participating actors. Whilst Lindberg restricted his study to the European Economic Community (EEC), Haas based his analysis on the ECSC, but extended his conclusions to both the EEC and the European Atomic Energy Community (Euratom). He (1958: 16) defined integration as:

‘the process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities toward a new centre, whose institutions possess or demand jurisdiction over the pre-existing national states. The end result of a process of political integration is a new political community, superimposed over the pre-existing ones.’

Lindberg (1963: 6) offers a somewhat different definition:

‘(1) The process whereby nations forego the desire and ability to conduct foreign and domestic policies independently of each other, seeking instead to make joint decisions or to delegate the decision-making process to new central organs: and (2) the process whereby political actors in several distinct settings are persuaded to shift their expectations and political activities to a new centre.’

It should be noted that, unlike Haas, Lindberg, in not suggesting any end point for the integration process, implicitly acknowledged that the breadth and depth of integration could be in constant flux. Lindberg also suggested that political actors merely shift their expectations and not their loyalties to a new centre. Thus, Lindberg’s conception and definition of integration can be seen as more cautious.<sup>4</sup>

### *Underlying assumptions*

The essence of the theory can be derived from a set of fundamental precepts, some of which have been hinted at in the neofunctionalist understanding and definition of integration. Firstly, in line with the mainstream of US political science of the time, the early neofunctionalists aimed at general theory-building. In its initial conception, neofunctionalism understood itself as a ‘grand’ or general theory of integration – claiming applicability regardless of when and where it occurred (cf. Haas 1961: 366ff; Haas and Schmitter 1964: 706-07, 720). Second, integration is understood as a process. Here neofunctionalists fundamentally differ from intergovernmentalists who tend to look at isolated events (mainly Treaty negotiations) and assume them to be repetitions of the same ‘power game.’ Implicit in the notion of process is the contrary assumption that integration processes evolve over time and take on their own dynamic. Third, neofunctionalism is ‘pluralist’ in nature. In contrast to traditional realist theories, it contests both that states are unified actors and that they are the only relevant actors. Instead, neofunctionalists assume that regional integration is characterised by multiple, diverse and changing actors who are not restricted to the

domestic political realm but also interact and build coalitions across national frontiers and bureaucracies (Haas 1964a: 68ff). Fourth, neofunctionalists see the Community primarily as 'a creature of elites'. While Haas (1958: chs. 5 and 6) devoted much of his attention to the role of non-governmental elites, Lindberg (1963: ch. 4) largely focused on governmental elites. Neither ascribed much importance to the role of public opinion. The conclusion was that there was a 'permissive consensus' in favour of European integration (Lindberg and Scheingold 1970: 41) and that this would suffice to sustain it. Fifth, although Haas did not mention it, he seems to have assumed uninterrupted economic growth in Europe (cf. Holland 1980). Linked to this was a more explicit 'end of ideology' assumption, i.e. that these increasingly prosperous societies would focus primarily on the pursuit of wealth rather than nationalist, socialist or religious ideals.

Neofunctionalism is mainly a theory about the dynamics of European integration. Five assumptions encapsulate the driving forces behind its progress:

(1), Its practitioners assume rational and self-interested actors (Haas 1970: 627), who (nevertheless) have the capacity to learn and change their preferences. Interest-driven national and supranational elites, recognising the limitations of national solutions, provide the key impetus. The shift of expectations, activities and (perhaps eventually) loyalties towards the new centre is also seen as one, which is primarily motivated by actors' interests. However, these self-regarding motives are not perceived as constant. They are likely to change during the integration process, as actors learn from the benefits of regional policies and from their experiences in co-operative decision-making (Haas 1958: 291). Neofunctionalists contest the intergovernmentalist assumption of interest aggregation exclusively at the national level through some hermetic process. Instead, Haas (1958: 9-10) argued that membership in the ECSC altered the way that interest groups and, later, member governments, perceived their interests.

(2) Once established, institutions can take on a life of their own and progressively escape the control of their creators. Concerned with increasing their own powers, employees of regional institutions become agents of further integration by influencing the perceptions of participating elites (both private and public), and therefore governments' (national) interest.

(3) Early reformulations of the theory stressed the primacy of incremental decision-making over grand designs. Moreover, seemingly marginal adjustments are

often driven by the unintended consequences of previous decisions. This effect arises from the incapacity of most political actors to engage in long-term purposive behaviour as they ‘stumble’ from one decision into the next, especially when engaging in such an innovative task as regional integration. Decisions in this arena are normally taken with very imperfect knowledge of their consequences and frequently under the pressure of deadlines (Haas 1970: 627).

(4) Neofunctionalists reject the conventional realist axiom that all games played between actors are necessarily zero-sum in nature. In the Community setting exchanges are often better characterised as positive sum-games and a ‘supranational’ style of decision-making, which Haas defined as ‘a cumulative pattern of accommodation in which the participants refrain from unconditionally vetoing proposals and instead seek to attain agreement by means of compromises upgrading common interests’ (Haas 1964a: 66).

(5) Haas agreed with the assumption made by some economists, such as Pierre Uri who was the chief economist of the ECSC in the 1950s, that emerging functional interdependencies between whole economies and their productive sectors tends inexorably to foster further integration (Haas 1958: 372f). Probably on the basis of this assumption, Haas initially believed that the spillover process would be automatic, which led him to predict the emergence of a political community in Europe before the end of the transitional period established by the Rome Treaty (Haas 1958: 311).

### ***The concept of spillover***

This set of assumptions forms the basis for the initial neofunctionalist explanation of the integration process in Europe. Its conception of change is succinctly encapsulated in the notion of ‘spillover’. The term was first applied in two distinctive manners: (1) it was used as a sort of shorthand for describing the occurrence of (further) integration; and, (2) it was used to identify the driving force and inherent logic of integration via increased functional/economic interdependence.<sup>5</sup> Haas (1958: 383) described an ‘expansive logic of sector integration’ whereby the integration of one sector leads to ‘technical’ pressures pushing states to integrate other sectors. The idea is that some sectors are so interdependent that it is impossible to isolate them from the rest. Thus, the integration of one sector at the regional level is only practicable in combination with the integration of other sectors, as problems arising from the

functional integration of one task can only be solved by integrating yet more tasks. Haas (1958: 297) held that sector integration ‘begets its own impetus toward extension of the entire economy...’. For example, the viability of integration in the coal and steel sectors would be undermined unless other related sectors such as transport policy followed suit, in order to ensure a smooth movement of necessary raw materials. In the literature the term *functional spillover* later came to denote the functional-economic rationale for further integration (cf. Lindberg and Scheingold 1970).<sup>6</sup>

Haas and Lindberg also considered support for the integration process amongst economic and political elites to be of great significance. National elites had to come to perceive that problems of substantial interest could not be effectively addressed at the domestic level, not least because of the above-mentioned functional-economic logic. This should lead to a gradual learning process whereby elites shift their expectations, political activities and – according to Haas – even loyalties to a new European centre. Consequently, national elites would come to promote further integration, thus adding a political stimulus to the process. Haas (1958: 312-313) in particular focused on the pressures exerted by non-governmental elites. Those pressures include the altered perceptions of political parties, business and professional associations, trade unions or other interest groups. This implies that integration in a particular sector leads the relevant interest groups to move part of their activity to a higher level of aggregation and therefore gradually shift their focus and expectations to European institutions. Presuming that they would perceive positive benefits from their regional experiences, these private organisations should support further integration (cf. Haas 1958: chs. 8 and 9).

Lindberg, for his part, attributed greater significance to the role of governmental elites and socialisation processes. He drew attention to the proliferation of EU working groups and sub-committees which, by bringing thousands of national officials into frequent contact with each other and Commission officials, had given rise to a complex system of bureaucratic interpenetration. These interaction patterns, Lindberg argued (1963: ch. 4), increase the likelihood of socialisation processes occurring amongst national civil servants within the Council framework. Given the effect of these mechanisms, neofunctionalists challenged the classic intergovernmental vision of Community decision-making as based only on national strategic bargaining and postulated the existence of a ‘supranational’ problem-solving



process, 'a cumulative pattern of accommodation in which the participants refrain from unconditionally vetoing proposals and instead seek to attain agreement by means of compromises upgrading common interests' (Haas 1958: 66). It was further implied that these socialisation processes, by fostering consensus formation amongst agents of member governments, would eventually lead to more integrative outcomes (Lindberg 1963: chs. I and IV; Lindberg and Scheingold 1970: 119). This process was later termed *engrenage*.<sup>7</sup> Neofunctionalists also argued that socialisation processes and particularly the increased habit of national elites to look for European solutions in solving their problems would help to generate a shift of expectations and perhaps loyalties towards the new centre on the part of national elites. The integrative pressures exerted by national (governmental and non-governmental) elites were later termed *political spillover* in the literature (Tranholm-Mikkelsen 1991: 5).

A further impetus for regional integration would be provided by the role of those employed by supranational institutions. Haas emphasised how the High Authority of the ECSC and, later, the European Commission facilitated agreement on integrative outcomes. As opposed to lowest common denominator bargaining, which he saw as inherent in strictly intergovernmental decision-making, supranational systems were characterised by 'splitting the difference' and more significantly a bargaining process of 'upgrading common interests'. Parties agree that they should have a common stand in order not to jeopardise those areas in which consensus prevails. The participants in such negotiations tend to swap concessions in related fields under the auspices of an institutionalised mediator such as the Commission. Governments do not feel as if they have been bullied. Common interests are upgraded to the extent that each participant feels that, by conceding something, it has gained something else. In addition, Haas saw the Commission as the main actor cultivating the underlying logic of functional-economic interdependence. In line with his assumption of rational actors, Haas foresaw the gradual expansion of its mandate as commensurate with the increasing breadth and depth of integration, thus providing the process with yet more impetus (Haas 1961: 369ff; 1964a: 75 ff). Lindberg emphasised the Commission's cultivation of ties with national elites. He pointed out that it occupies a privileged position of centrality and authority, enabling it not only to direct the dynamics of relations among states but also the relations of interest groups within each state. According to Lindberg (1963: 71), the Commission's cultivation of contacts with national civil servants and interest groups would in time lead to the Commission's

progressive ‘informal co-optation’ of member states’ national elites to help realise its European objectives. The integrative role attributed to the Commission (or supranational institutions more generally) was later termed *cultivated spillover* (Tranholm-Mikkelsen 1991: 6).

### 3. Criticisms

Neofunctionalism is probably the most heavily criticised integration theory. After the passing of its heyday in the mid-1960s, critiques of neofunctionalism emerged from intergovernmentalist scholarship (e.g. Hoffmann (1995 [1964]: 84ff), and also increasingly from within the neofunctionalist camp itself – not least that of its self-critical founding father (Haas 1976: 175ff). Even after he pronounced the theory obsolescent, and after Lindberg ‘retired’ from studying the EEC/EC, critiques of their works flourished in the 1980s (Holland 1980: Webb 1983: Taylor 1983), and have not been out of fashion ever since (e.g. Moravcsik 1991, 1993; Milward 1992: 11-12; Risse-Kappen 1996: 56ff). It is important to note, however, that a number of criticisms levelled against neofunctionalism misrepresent its claims, distort its arguments or interpret the theory selectively.<sup>8</sup>

For this reason, not all of the critiques are justified. For example, scholars have erroneously accused the theory of failing to account for unintended consequences (McNamara 1993: 309) or for its supposed deficiency to recognise that loyalties and identities tend to be multiple.<sup>9</sup> Its critics have also exaggerated neofunctionalism’s predictive pretensions and, especially, Haas’ pronouncement of a political community as a likely outcome of the integration process before the end of the twelve year transitional period referred to in the Treaty of Rome (1958: 311), although neofunctionalists had avoided making such assumptions about an end-state as early as the beginning of the 1960s (Haas 1960, 1964b; Lindberg 1963: 6). In addition, the theory was, somewhat unfairly, disparaged for explanatory shortcomings on issues beyond its research focus and analytical spectrum, such as questions related to the nature of interest representation and intermediation in the EU (cf. Hix 1994: 6) or the initiation of the integration process in Europe (cf. Milward 1992: esp. ch. 1). However, this latter line of criticism does have a certain validity given the early neofunctionalist aspirations to grand theorising, an issue that will be taken up below.

A more extensive account of contestable critiques vis-à-vis neofunctionalist theory has been provided elsewhere (Niemann 2000: 13-23).

Nevertheless, some criticisms provide more pertinent and fundamental challenges. Firstly, neofunctionalism has been criticised for its grand theoretical pretensions. It has been rightly argued that neofunctionalism does not and cannot provide a general theory of regional integration in all settings, especially not of their origins; it presumes that member countries are relatively developed and diversified in their productive systems and that they have democratic polities. In addition, the theory provides certain analytical tools to deal with only a particular type of questions, i.e. those related to *explaining* integration.

Both ‘liberal intergovernmentalist’ (e.g. Moravcsik 1993: 475ff) and ‘liberal interdependence’ theorists (Keohane and Nye 1975, 1977) have questioned its assertion that spillover is inevitable and its seemingly exclusive reliance on economic determinism. In *The Uniting of Europe* Haas did consider the spillover process to be more or less automatic (Haas 1958: ch. 8). Later reformulations introduced qualifications to the likelihood of its occurrence. Some of these constituted sensible delimitations, such as the requirement that the task assigned to institutions had to be inherently expansive, i.e. functionally interdependent upon other issue areas (Lindberg 1963: 10). Other specifications pointed into the right direction, but were rather *ad hoc*, not sufficiently elaborated and not adequately linked with the main body of theory, like Haas’ notion of the ‘dramatic political actor’ (Haas 1968: preface) or Lindberg’s claim that spillover cannot be expected to take place in the absence of a will to proceed on the part of the Member States (Lindberg 1963: 11). It is no exaggeration to state that early versions of neofunctionalism lack a sufficient, coherent and comprehensive specification of the conditions under which spillover will occur.

Other critics have taken issue with neofunctionalism’s alleged actor-centeredness (Jørgensen and Christiansen 1999: 4). Neofunctionalist thought was not devoid of structural elements. For example, the functional-economic rationale based on the interdependence of sectors, which has also been referred to as ‘functional spillover’, is essentially a structural pressure. However, one may argue that neofunctionalism gives undue prominence to actors – especially, in the role assigned to supranational civil servants and representatives of sectoral interests – and that

agents and structural explanations need to be linked with one another more adequately.

More orthodox theorists of international relations have long protested that that neofunctionalists systematically (and naively) underestimated the continued impact of sovereignty consciousness and nationalism as barriers to the integration process (Hoffmann (1995 [1964]: esp. 75-84). Examples such the French "empty chair" politics under Charles de Gaulle or British policies under Margaret Thatcher illustrate the significance of these conceptions – although later neofunctionalists would point out that these 'incidents' did not prevent further expansion of the tasks and authority of the EU in the longer run.

More economically minded critics (Holland 1980; Webb 1983) observed that the concept of spillover was connected to the implicit assumption that economic growth would continue unabated in the capitalist world, and that all member states would benefit more or less equally from that growth (cf. Haas 1964a: 68). In the 1950s and 1960s, many economists shared this optimistic outlook, not least because western free-market economies were enjoying a period of unprecedented growth and duration. By the 1970's however, falling growth rates and rising unemployment produced a reappraisal. It has been suggested that the stagnation of the integration process and the shift of the institutional balance in the EC in favour of intergovernmental decision-making can be attributed in part to this worsening economic climate. Spill-over, whether functional, political or cultivated, was an allegedly "fair weather" process. Under less favourable circumstances, member states 'have appeared both uncertain and defensive and frequently unwilling to take the Community option' (Webb 1983: 21).

A number of authors (Hoffmann 1995 [1964]; Webb 1983; George 1991) have observed that neofunctionalists failed to take adequately the broader international context into account. They argued that the European Community is only a part of the world economy, and that the international system prevents any possibility of insulating Europe from its effects. Hoffmann (1995 [1964]: 84) saw external factors as a disintegrative force and contended that diverse responses to its pressures by Member States would create unbridgeable divisions and even ruptures. His criticism overlaps with Webb's and Holland's on the changing (international) economic climate. Conversely, other writers have emphasised the integrative impact of external pressures. Schmitter (1996: 13), for example draws attention to European monetary

policy co-operation, which began to evolve after US President Nixon's decision to take the dollar off the gold standard in 1971. Haas himself saw neofunctionalism's neglect of the wider world context as a serious shortcoming (Haas 1968: preface). He eventually came to the drastic conclusion that the entire research focus on regional integration needed to be switched to the wider issues of interdependence (Haas 1976: 208).

Finally, neofunctionalists have come under warranted criticism for their lack of attention to domestic political processes and structures. It has been argued that they underestimated the role of national leadership by wrongly assuming that decision-makers were only 'economic incrementalists' and 'welfare seekers'. They may also have overestimated the role of interest groups in influencing policy, and assumed too much homogeneity in the pressures that would be brought to bear on different governments (cf. Hansen 1973: George 1991). Moreover, as pointed out by Moravcsik (1993: 477), neofunctionalism fails to explain government choices on the basis of models of pressure from predictable distributive coalitions. Lindberg himself conceded this deficiency. Together with Scheingold, he pointed out that neofunctionalism describes domestic processes, but says little about underlying causes of disparate national demands for integration. However, no way to rectify this shortcoming was proposed (cf. Lindberg and Scheingold 1970: 284).

#### **4. Modified neofunctionalist accounts**

In response to the numerous criticisms, as well as to events occurring in the integration process itself, a few neofunctionalists undertook to reformulate their theory in the 1960s and early 1970s. Some of their modifications provide useful insights, while others have proved of limited utility. Critics would say that the theory became increasingly reactive to ad hoc occurrences and, therefore, so indeterminate in its conclusions as to provide no clear direction for research (e.g. Moravcsik 1993: 476). In any case, by the 1970s, most academic observers had dismissed neofunctionalism as either "out-of-date" or "out-of-touch." Many turned to purely descriptive accounts that eschewed any attempt at theorising. Others attempted to subsume the experience of European integration within the confines of orthodox theories of international relations – whether realist, neo-realist or liberal.

However, a few scholars have implicitly – or sometimes even explicitly – recognised the continuing value of neofunctionalism, suggesting that the approach still contains some useful building blocks for contemporary theorising (e.g. Keohane and Hoffmann 1991; Marks *et al.* 1996; Pierson 1996). Others even argued that it may be worth resurrecting the theory in light of the Community's resurgence in the mid-1980s (Taylor 1989; Tranholm-Mikkelsen 1991).

In addition, it is noticeable from studying the wider literature on European integration theory that some of the more recent approaches bear considerable resemblance to neofunctionalism and that neofunctionalist insights have also informed other theoretical approaches (such as multi-level governance) in a number of ways<sup>10</sup>, although few authors have given explicit credit to neofunctionalism. Most plainly drawing on neofunctionalist thought and also most openly acknowledging their neofunctionalist roots (without however seeming to intend to revise the theory), Alec Stone Sweet and Wayne Sandholtz put forward their 'supranational governance' approach, which emphasises the role and importance of transnational exchange, EU rules and supranational institutions. They argue that cross-border transactions generate a demand for Community rules that EC institutions seek to supply. Once Community legislation develops, supranational society emerges as (business) actors realise that one set of rules is preferable to them than 15 or more sets of (national) rules. Actors working within the new Community framework would then test the limits of EC rules. This would in turn lead to more precise rules (due to the clarifications from EC adjudicators) that develop ever further away from the original intentions of member governments. Stone Sweet and Sandholtz argue that the transfer of competence to the Community is uneven and depends on the intensity of demands for EC regulation in a given issue area. They most significantly depart from (early) neofunctionalism by leaving open whether actors' loyalties and identities eventually shift to the European level and by laying greater emphasis on the relevance of intergovernmental bargaining in EC politics (cf. Stone Sweet and Sandholtz 1997; Sandholtz and Stone Sweet 1998).

Their supranational governance account has been criticised in several respects. For example, it has been noted that they largely ignore the potential impact of the external/international realm, which is peculiar because Sandholtz had earlier co-authored a well-known article in which the influence of international competitive pressures constituted an important aspect for explaining the 1992 project (cf.

Sandholtz and Zysman 1989). In addition, the supranational governance account has been criticised for remaining trapped in the old ‘neofunctionalist-intergovernmentalist’ dichotomy, for example, by privileging certain types of actors (supranational institutions) and by concentrating on limited parts of empirical reality (day-to-day developments) (cf. Branch and Øhrgaard 1999). While this may indeed be seen as a substantial shortcoming, it also needs to be pointed out that the intergovernmentalist-nofunctionalist debate remains an important one, albeit not as important as it used to (cf. Rosamond 2000: 2; Jachtenfuchs 2001: 255; Niemann 2006: 305-308).

Only very few scholars have overtly identified themselves as ‘neo-neofunctionalists’ and deliberately sought to revise the original theory. Philippe Schmitter is one of them. As a former student of Ernst Haas who refused to accept his mentor’s declaration of ‘obsolescence’, he first turned to the task of revision in the early 1970s and then again thirty years later. In terms of the basic driving forces of integration Schmitter not only points to endogenous tensions and contradictions related to the regional integration project, but also to the importance of external/exogenous factors – not just as an impediment but as a potentially facilitating factor in the integration process. As for the role of supranational institutions in fostering integration, he belatedly emphasised the role of the European Court of Justice in making major contributions to the assertion of EU supra-nationality. Schmitter illustrates the dynamic of his revised approach through a model of decision cycles. ‘Initiating cycles’, which the present European Union has passed through long ago, are followed by ‘priming cycles’ that account for the changing dynamics of Member States in between decision cycles. ‘The major difference between “initiating” and “priming” cycles [...] comes from the rising importance of distinctive regional processes. With each successive crisis resolved as the common institutions emerge from the initiation cycles, regional-level rules [...] gain in significance to the point that they begin to overshadow the opinions and actions of national governments, associations and individuals’ (Schmitter 2004: 61). As regional processes begin to have greater effect, national actors may become more receptive to changing the competencies and authority of regional institutions.

However, in his revised theory Schmitter rejects the ‘automaticity of spillover’ assumption. Strategic responses other than spillover are conceptualised, such as (a) ‘spill-around’, the proliferation of functionally specialised independent, but strictly intergovernmental, institutions; (b) ‘build-up’, the concession by Member States of

greater authority to the supranational organisation without expanding the scope of its mandate; (c) ‘muddle-about’, when national actors try to maintain regional cooperation without changing/adjusting institutions; and (d) ‘spill-back’, which denotes withdrawal from previous commitments by member states. He points out that, as far as European integration is concerned, so far each of the (priming) decision cycles has generated further imbalances and contradictions thus avoiding ‘encapsulation’, a state of stable self-maintenance. He also implies that the EU has not yet reached the ‘transforming cycle’, where the potentialities for functionally integrating their economies (would) have been exhausted and the emphasis would be placed on the integration of polities.

Another revised neofunctionalist framework was developed by Arne Niemann (cf. Niemann 1998, 2000, 2004, 2006). Taking early neofunctionalism as a starting point, he departs from the original approach in several ways. First, the ontological scope is slightly broadened – somewhat beyond what Haas (2001) *post hoc* described as ‘soft rational choice’ for the original neofunctionalist account – towards a wider and more inclusive ontology by encroaching ‘soft’ constructivism to a larger extent than Haas (2001) attributed to early neofunctionalism. This extension was undertaken for two reasons: (a) while some elements of (early) neofunctionalism can be solidly located in the rational choice tradition, with rational, intentional and self-interested actors (cf. Burley and Mattli 1993: 54-55), other elements were more reminiscent of constructivist thought with actors capable of learning processes<sup>11</sup>, and his account places more explicit emphasis on socialisation, deliberation and learning than did Haas’s early neofunctionalism for explaining EU decision outcomes; (b) whereas early neofunctionalism viewed agents as predominant and paid relatively little attention to structure<sup>12</sup>, Niemann’s revised neofunctionalist framework attributes to structure and agency a more equal status. Embracing the concept of structuration (Giddens 1984), he emphasises the interdependence of structures (e.g. functional interdependencies, the EU/international system of states/institutional order) and agents (ranging from governmental elites to private and supranational actors). Hence, structure and agency mutually constitute each other.

Niemann’s revised approach should be understood as a wide-ranging, but partial, theory that is only intended to account for part of the process of regional integration in Europe, namely that of explaining EU decisions and their impact upon integration. The latter is no longer viewed as an automatic and exclusively dynamic process, but rather occurs under certain conditions and is better characterised as a



dialectic<sup>13</sup> process, i.e. the product of both dynamics and countervailing forces. The latter are explicitly conceptualised in his framework. Countervailing forces may either be stagnating (directed towards standstill) or opposing (directed towards spillback) in nature. In particular, two concrete countervailing forces are accommodated in the revised neofunctionalist framework: first there is ‘sovereignty-consciousness’, which encapsulates actors who oppose delegating sovereignty/competences to the supranational level and is linked to national traditions, identities and ideologies. Second, ‘domestic constraints and diversities’ signify national governments’ restricted autonomy to act due to constraints by actors (e.g. lobby groups or coalition partners) or structural limitations (such as a country’s economy, demography or legal tradition) in the domestic political system. This is exacerbated by the economic, cultural, legal, demographic or other diversities between Member States, which may entail considerable adjustment costs for some and thus obstruct integrative endeavours.

While the conceptualisation of countervailing forces contains a key element in Niemann’s revised framework, he also further develops and specifies the dynamics of integration. Functional spillover is broadened in scope to go beyond merely economic linkages and is freed from its deterministic ontology – implying that functional structure have to be found plausible and compelling by actors in order to be acted upon – thus reflecting a ‘soft’ functionalism. Functional ‘pressures from within’ – which capture pressures for increased cooperation within the same, rather than another, sector – is made more explicit and upgraded as an explanatory tool. So is cultivated spillover – the concept that originally denoted the role of the Commission/High Authority – which is also widened to include the integrative roles played by the Council Presidency, the European Parliament and the European Court of Justice. Building on Schmitter (1969, 1970) ‘exogenous’ spillover is incorporated into his framework to account for the tensions and contradictions originating outside the integration process itself. In addition, political spillover, which broadly speaking conceptualises the role of non-governmental elites, is also stretched. Interest groups are taken to be influenced not only by endogenous-functional, but also by exogenous and domestic structures. ‘Social’ spillover is separated from political spillover for a more clear-cut explanation of reflexive learning and socialisation processes. The concepts of communicative and norm-regulated action are incorporated into social spillover to describe and explain these processes more adequately. Learning and socialisation are no longer regarded as constant (as implied by early neofunctionalists)

but as being subject to conditions. These conditions, as well as the conditions for the other sorts of spillover, are set out in his revised framework (cf. esp. Niemann 2006).

Schmitter's and Niemann's revised neofunctionalist accounts may also provide scope for some criticism: for example, the parsimony of early neofunctionalism is lost to some extent, since their (spillover) formulations and (bi-variate/multi-variate) hypotheses are rather more complex than the original theory.

In the introduction to the 2004 edition of the *Uniting of Europe*, Haas made a final contribution to European integration theory. While this piece does not constitute an outright attempt to revise his neofunctionalist theory, Haas makes some important reflections on how new developments in IR and political science theory relate to, challenge and (potentially) stimulate neofunctionalism. In particular, Haas makes it his task to see how neofunctionalism 'can become part of a respectable constructivism' (Haas 2004: xvii). He suggests that neofunctionalism may be considered a forerunner, and part of, constructivism. Haas also considers the utility of (old and new) institutionalist approaches. He concludes that revised neofunctionalist approaches benefited from institutionalist thinking, as a result of which the neofunctionalist tradition, in his view, 'has a new lease on life' and should be considered 'no longer obsolescent' (Haas 2004: liii).

## **5. Most-likely cases and the conditions for spillover**

Generally speaking, the neofunctionalist research agenda predominantly focuses on explaining EU decision processes and outcomes. However, no one case easily qualifies as a best case application of the theory. This is due to the fact that – based on the insight that the concept of spillover needs to be carefully delimited – the conditions for the occurrence of the neofunctionalist dynamics are quite numerous, and that these conditions also vary across spillover pressures. Hence, rather than trying to identify one best case, we will discuss the conditions of spillover for the different pressures, while at the same time pointing to issue areas where these conditions have been broadly met. While the automaticity of spillover assumption was gradually phased out of neofunctionalism, few scholars have sought to systematically delimit the concept of spillover and the neofunctionalist dynamics. We will thus consider the various neofunctionalist pressures mainly along the conditions that we derived from our own work (e.g. Niemann 2006, Schmitter 2004).

As for *functional spillover* – the situation/process in which the original integrative goal can be assured only by taking further integrative action, which in turn creates circumstances that require further action – perhaps the most important condition is that functional pressures have to be *perceived* as compelling. Functional spillover is a structural pressure and structures need agents to translate those pressures. Functional pressures do not ‘determine’ behaviour in any mechanical or predictable fashion. They contain an important element of human agreement. However, we can approximate when actors are more likely to perceive such pressures are persuasive, namely when the original issue area and the objectives therein are (considered) salient, and when the interdependence with areas where further action is (regarded as) strong (cf. Niemann 2004, 2006).<sup>14</sup>

A case illustrating strong functional pressure is the spillover from the internal market to the area justice and home affairs. If the single market – including the free movement of persons – was to be completed, certain compensatory measures were (considered) necessary in areas such as visa, asylum, immigration and police cooperation. The original issue area and the objectives therein, i.e. completing the internal market, were indeed very salient. Considerable significance was attached to it partly because, amongst the four freedoms, the free movement of persons has the most direct bearing on the lives of individual citizens (Fortescue 1995: 28). And from an economic perspective, the proper functioning of the single market would be jeopardised, unless this principle was put into practice (Commission 1985: 6). Also the functional interdependence between the free movement of persons and certain policy areas is strong. The most obvious functional link may be the one with external border control and visa policy. States are unlikely to waive the power of internal controls, unless they can be provided with an equivalent protection with regard to persons arriving at external frontiers. This implies shifting controls to the external borders and also a common visa policy, regulating short-term admission to the EC. There is also a strong rationale for a common asylum policy, as otherwise the restrictive efforts of one Member State would be undermined by liberal policies of another state. The fear was that the abolition of internal borders would lead to an increased internal migration of asylum seekers denied asylum in the first country and to multiple applications for asylum (Achermann 1995; Niemann forthcoming 2008).

Thus, the functional rationale itself was strong indeed. In addition, national and supranational elites also very much bought into it. One can argue that actors’

*perception* of the pressure as a necessity was even greater than the *logic* of the argument as deduced from a ‘factual’ analysis of cause-and-effect mechanisms. For example, it can be argued that the intra-EU borders (or borders in general) have always been permeable and that the abolition of border control makes less difference than widely held (cf. Huysmans 2000: 759). Despite this gap/ flaw in the functional rationale, the Commission and Member governments overwhelmingly accepted the functional link, and also reproduced it so that eventually acquired the status of knowledge, outside the realm of the contestable (cf. den Boer 1994).

A second set of conditions attached to the concept of functional spillover is that decision-makers (I) do not anticipate that further integration in one area may create problems in other areas, which in turn would lead to further (possibly undesired) integration (so that they refuse to take the first integrative step); or (II) – when further spillovers are anticipated – that the benefit of the first integrational step is sufficiently salient that it outweighs the concerns about later spillover effects into other areas. Usually the latter condition applies. Given restricted time horizons, decision-makers tend to be less concerned with the safeguarding sovereignty, than with creating the conditions of continued domestic success (Pierson 1996). However, these conditions are certainly not always met. For example, in the negotiations concerning the scope of the Common Commercial Policy at the Amsterdam IGC, a number of member governments did see the benefits of bringing trade in services under the scope of Article 113. However, it was feared by some Member States (and in fact seemed likely from the perspective of the Council legal service) that this would foster the process of internal Community liberalisation in the area of services and that the Commission could use the backdoor of Article 113 to regulate in areas which fell under Member States’ competence. Hence, from the first integrational step (expanding the scope of Article 113) undesired spillover into another area (internal Community services liberalisation) was feared. Although there were other areas of scepticism among these delegations, the anticipation of spillover, which was regarded more costly than benefits of extending Community competence, contributed to member governments’ refusal to bring services under the scope of the Common Commercial Policy at Amsterdam (Niemann 2006, ch. 3).

As pointed out by Schmitter (1969: 163) and by Pierson and Leibfried (1995) functional interdependencies are most likely to occur in the presence of ‘high issue density’. Pierson (1996: 137) has demonstrated that with an increase of issue areas at

the European level there is an exponential expansion of connections between issue areas. For example, with four issue areas there are six possible connections, while with eight areas the number of potential connections rises to twenty-eight. Hence, this would suggest that there is growing potential for functional linkages and functional spillover processes as the integration process proceeds. This may also help to explain the resurgence of integration since the 1992 project (cf. McNamara 1993: 320-321). A number of studies have highlighted the potential integrative force of functional pressures, especially in terms of spillovers from the 1992 project to EMU (Mutimer 1989), to the domain of social policy (Pierson and Leibfried 1995) as well as energy policy (Matlary 1997).

In terms of *political spillover* – the integrative pressures exerted by (national governmental and especially non-governmental) elites realising that problems of substantial interest cannot be satisfactorily solved at the domestic level – certain conditions are conducive to this dynamic. First, we will focus on the role of non-governmental elites. Interest groups are (more) likely to seek supranational solutions when (1) the potential gains from European integration are high; (2) interest groups can easily ascertain the benefits of EU activity; (3) the relevant issue area has for some time been governed by the EU/EC, so that organised interests had a chance to familiarise themselves with the Community policy process, to co-ordinate on the European level, and for learning processes to occur; (4) functional spillover pressures or – as some of the revised neofunctionalist approaches would allow for – internationally induced incentives drive or reinforce the rationale for seeking supranational solutions (cf. Niemann 2006: ch. 5).

A number of empirical studies have confirmed the impact of interest groups and political spillover pressures on (integrative) policy outcomes. Sandholtz and Zysman (1989) and Green Cowles (1995) have pointed to the influence of European business, and especially the European Round Table of Industrialists, on the 1992 programme during the negotiations leading to the SEA. Here, the above conditions were (very) largely met. The potential gains from the internal market were high. Apart from the Commission's favourable estimations concerning economic growth and improved business conditions, firms and interest groups could themselves easily ascertain the benefits of the 1992 project, as one set of rules and regulations clearly constituted a significantly more beneficial economic environment than twelve (or more) different ones. In addition, a globalising world economy and growing international competition

provided an important spur for the internal market project (Green Cowles 1995). There are other areas where the political spillover pressures seem to have been at work. David Cameron (1995) has argued that a transnational community of European (central) bankers helped to frame the debate on EMU at Maastricht. O'Reilly and Stone Sweet (1998) have found that business and consumer groups played an important role in the transfer of competence to the Community in the field of air transport.

In other areas political spillover dynamics proved less substantial. Niemann (1998, 2006) has argued that the development of the PHARE programme and the 1996-97 negotiations on the extension of EU external trade competence to the area of services have been accompanied by rather insubstantial support from organised interests. These cases have shown that a lack of transparency and complexity (of GATS/WTO rules and decision-making of the PHARE programme) can hinder interest group involvement, as it obscured the benefits of supranational governance (especially in the trade case) or confused actors concerning where to start lobbying (as in the case of the PHARE programme). Moreover, in both cases – even that concerning the extension of the Common Commercial Policy – the economic stakes were (perceived as) not that high, certainly when compared with, say, the SEM (cf. Niemann 2006: ch. 5).

Neofunctionalists also stressed the role of governmental elites as well as *socialisation, learning* and (in Niemann's revised version) *deliberation* especially with regard to the increasing number of (Council and other) working groups and committees. A number of conditions can be specified for these processes. Socialisation, deliberation and learning processes (1) need time to develop; (2) tend to be significantly constrained if important members of a working group/committee are distrusted; (3) are impaired when issues become politicised; (4) can be offset in the case of adverse bureaucratic pressures in national ministries and administrations; (5) tend to be obstructed when negotiations are rather technical in nature and negotiators do not possess enough expertise; (6) may be impeded when officials are *a priori* against changing their norms and habits and feel that they have been dragged into EU/EC co-operation (cf. Niemann 2006). Where these conditions take on favourable values socialisation and learning process can unfold and have an integrative bearing on outcomes, for instance in the case of the PHARE programme. When these conditions are partly/largely not met – as for example in the case of the discussions on the 1996-1997 reform EU trade policy (cf. Niemann 1998, 2006: chs. 3, 4) – this dynamic is significantly obstructed and has no impact.

More generally, studies suggest for instance that an *esprit de corps* tends to develop in Council committees over time and that membership matters in terms of civil servants' construction of role conceptions and attitudes (Trondal 2002). Beyers and Dierickx (1998) have found that intense informal cooperation between national delegates has developed, that common attitudes to different negotiation partners have been adopted and that the importance of non-state institutional actors has been recognised even by officials from traditionally more Eurosceptic Member States. Egeberg (1999: 471) has held that national officials involved in EU decision-making are generally characterised by a substantial degree of collective responsibility which is reflected in the overall willingness to shift and reformulate their positions. The recent scholarship also suggests that the EU and its institutions are, of course, not the only socialising mechanisms, but that national institutions and the domestic realm, more generally, also provide important, and often prevailing, socialising sources and mechanisms (e.g. Beyers 2002: 23; Egeberg 1999: 470-71).

As for *cultivated spillover*, the integrative pressure exerted by supranational institutions, we will here focus on the role of the Commission. The following factors condition its policy entrepreneurship: (1) its ability to forge internal cohesion (Nugent 1995); (2) the Commission's capacity to shape the agenda – not only where it has an exclusive right of initiative, but also in the second and third pillars and at IGCs – for example by proactively tabling proposals, skilful timing of proposals, and maintaining close ties with the Presidency; (3) the cultivation of relations with member governments, interest groups or other actors, i.e. securing support for its policies by making use of its strategic position of being centrally located within a web of policy networks and relationships (Mazey and Richardson 1997); (4) its ability to build consensus and broker compromises, often while upgrading common interests (Nugent 1995); (5) the instrumentalisation of functional (and exogenous) spillover pressures, i.e. promoting further integration by drawing on such rationales in the debate (Sandholtz 1993; Héritier 1998); (6) the Commission's capacity to know the limits of its entrepreneurial leadership so as not to overplay its hand *vis-à-vis* the Member States (cf. Pollack 2001). In addition, there are a number of (background) factors affecting its role which are largely beyond the control of the Commission. Firstly, in the absence of (effective) interest groups the Commission is deprived of potential allies and may not succeed in the pursuit of its objectives (Nye 1970). Secondly, Commission leadership is most effective when supported by a significant political

actor, such as a powerful Member State (George 1996: 44). Thirdly, it has been pointed out that institutions may register the greatest impact on policy outcomes in periods of swiftly changing events, uncertainty and incomplete information and during periods of policy adaptation (cf. Peterson 1992; Sandholtz 1993).

A number of studies have revealed the Commission's ability to play a proactive and integrative leadership role. This has been indicated by research in the fields of telecommunications (Sandholtz 1993a), energy (Matlary 1997), air transport policy (O'Reilly and Stone Sweet 1998), information technology (Sandholtz 1992), structural policy (Marks 1992), environmental policy (Sbragia 1993), in the launch of the 1992 project (Sandholtz and Zysman 1989), and in paving the way for monetary union (Jabko 1999). These cases are accompanied by many of the above mentioned favourable conditions for Commission assertion. In cases largely characterised by an absence of these conditions, such as the Amsterdam IGC negotiations on reforming the Common Commercial Policy – in which the Commission lacked internal coherence, overplayed its hand and was largely unsupported by interest groups or key member states – the Commission's impact tends to remain very marginal (cf. Niemann 2006: ch. 3).

## **6. Test case: enlargement**

Early neofunctionalism paid little attention to the geographical expansion of the ECSC and EEC. This is not surprising since neofunctionalism had passed its prime before the first EC enlargement in 1973 (cf. Schimmelfennig and Sedelmeier 2002: 501). However, Haas (1958: 313-317) did talk about a 'geographical spillover'. For him such a process was beginning to take place with Britain. The latter's rapprochement to the ECSC was spurred by the fear of isolation and successful integration of economies on the continent, which threatened Britain's future access. Apart from Haas's explicit, if limited, mention, how suitable are neofunctionalism's conceptual tools for shedding light on the case of enlargement? Arguably, its tool-kit should go some way to explaining the Community's geographical growth. Our subsequent analysis will particularly focus on the recent case of Eastern enlargement.

First, the neofunctionalist definition of integration as a *process* is much in keeping with standard definitions and descriptions of enlargement, which is commonly also characterised as a 'gradual process' (Schimmelfennig and Sedelmeier 2002: 503).



Second, neofunctionalism provides some scope for explaining why a substantial number of countries began to queue for EU membership. The EU's magnetism was to a considerable extent due to the high level of integration it had reached, which made accession attractive and exclusion costly (Vachudova 2007: 107). In addition, the EC was in many ways an economic and political success story. It had cemented the peace on the continent, spurred economic prosperity, and displayed significant dynamism since the mid 1980s with the 1992 project, the decision on EMU and first steps towards political union. Moreover, the Community had begun to play a proactive and constructive role in the relations with the Central and Eastern European Countries (CEEC), first in terms of bilateral trade agreements in the (late) 1980s, later through its coordination of aid for the G-24, the PHARE programme, and – more controversially – the negotiation and conclusion of the Europe Agreements. The demand for EU enlargement can partly be derived from neofunctionalism's basic tenet: integration leads to tensions, contradictions and demands, which can only be resolved by taking further integrative action. Here, however, this does not take the form of bringing more sectors under the governance of the Community, but by expanding the territorial scope of the integration project. While the above process is much in the spirit of spillover, the conceptual link to the outside world/international realm was weak within early neofunctionalism. This was later resolved, to some extent, by conceptualising for what was coined 'externalisation' (Schmitter 1969) or 'exogenous spillover' (Niemann 2004, 2006).

Third, neofunctionalism also adds to our understanding when considering the role of supranational institutions, especially, the Commission. The latter has impacted on the enlargement process, primarily in an integrative and autonomous way. It has played a considerable role in channelling the process (and thus sometimes managed to augment its own position), starting with its proactive and successful attempt to attain the mandate to coordinate the Community's aid policy (Niemann 1998). Later, the Commission acted as a broker by fostering cooperation between the EU Member States and applicant countries, thereby, 'generating and selling new conceptions of the future of European integration', and thus influencing the agenda and exercising some control over the pre-accession process (Vachudova 2007: 114). It has also been argued that the Commission played an autonomous role in (often successfully) advocating the accommodation of candidates' preferences, for example by making skilful use of the policy process (Sedelmeier 2002). Moreover, it has been held that

the Commission (successfully) encouraged a larger enlargement in order to reinforce its own position and role by keeping itself in the enlargement business (Vachudova 2007).

Fourth, the role of interest groups in the enlargement process also partly corroborates neofunctionalist theorising. The most influential interest group, the European Roundtable of Industrialist (ERT), lobbied in a co-ordinated, trans-national fashion.<sup>15</sup> The ERT promoted the accession of the CEEC, as this promised to facilitate access to the Central Eastern European markets (cf. Holman 2001; Bieler 2002). Neofunctionalists had suggested that interest groups would suggest further integration (here enlargement), once they become aware of the benefits of existing integration (Haas 1958). This seems to be the case with the ERT, even if a long-term shift of expectations and, especially, loyalties to the European level, anticipated by Haas (1958: ch. 8 and 9) is more doubtful. Also the actual influence of the ERT on policy outcomes is unclear. Interesting to note is the close collaboration between the Commission and the ERT, for example, in terms of devising the pre-accession strategy (Holman 2001: 173; Bieler 2002: 590), something that is easily squared with neofunctionalist writings on the cultivation of interests. Other aspects of the role of organised interests in the enlargement process have been more problematic. For instance, some associations representing sectors in uncompetitive positions were against the enlargement process (Jachtenfuchs 2002: 654). This would seem to contradict early neofunctionalism, which assumed a more homogenous and favourable evolution of organised interests towards supporting further integration.

Overall, neofunctionalism enhances our understanding mostly in terms of accounting for some of the driving forces behind the process of enlargement. Yet, it goes somewhat beyond that, as it also indicates certain rationales for further integration flowing from enlargement. Most obviously, there is the well-known functional link between widening and deepening. For instance, once enlargement had become an internal goal, problems were anticipated in terms of decision-making for policy areas ruled by unanimity. Unanimity was already regarded as problematic by some with 15 member states. With 25 (or 27) and the corresponding diversification of interests and increased heterogeneity, it was feared that those areas still governed by unanimity would become even more susceptible to deadlock. This functional pressure stemming from enlargement has been one factor accounting for the successive extension of QMV, for example in EU migration policy (Niemann 2008 forthcoming).

However, as started earlier, (revised) neofunctionalism is best viewed as a partial theory which provides insights only for certain research questions, largely situated toward explaining EU decision outcomes. Important issues on which neofunctionalism leaves us in the dark include the relevance and role of (varying) domestic actor constellations and structures in the applicant countries for the enlargement process, the implications of enlargement for the nature of the EU political system, the social and political consequences of geographical expansion as well as the normative dimension of EU enlargement.

## **Conclusion**

Although neofunctionalism has been widely criticised and some of these criticisms have revealed major deficiencies, it retains an important approach for conceptualising and explaining the dynamics of European integration. There are several reasons for that: first, as the case illustrations have indicated, neofunctionalism (still) has a very useful toolkit for analysing salient issues, mainly revolving around explaining EU decision processes and outcomes. Even though this has been an old and long-standing research question, it will continue to be a prominent one. Second, neofunctionalism has inspired subsequent theorising and later approaches have drawn extensively (if not always, explicitly) on its assumptions and hypotheses which in turn provided useful building blocks for a number of frameworks. Third, neofunctionalism has proven to be capable of reformulation, partly owing to the nature of its theoretical assumptions/formulations, and partly due to the propensity for self-reflection and self-criticism of its authors.

Hence, rather than confining its relevance to specific conditions prevailing at the time of its formulation five decade ago, the student of regional integration should recognise that neofunctionalism has been and still is an evolving theory. Its location between the disciplines of international relations and comparative politics enhances its potential for explaining a highly unorthodox and unprecedented process of transformation that virtually by definition cannot be captured by either of these. As such the neofunctionalist research agenda is by no means exhausted. There is continued potential for developing the theory, not least in further specifying the conditions under which the different types of spillover pressure are likely to unfold.

Thus, it still needs work, but that should be taken as a challenge rather than as an excuse for dismissing the neofunctionalist approach.

## Notes

1 On the latter two issues, compare, for example, Haas (1958: 16, 311) with Lindberg (1963: 6). See also the subsequent discussion on the definition of integration.

2 Compare, for instance, Haas (1961) who believed that issue areas need to be de-politicised and characterised by pragmatic interest politics in order to spill over, with Schmitter (1969: 166). The latter pointed out that politicisation was a necessary driving force for the progression of the integration process.

3 Perhaps the most striking example of such a kind of selective and misleading reading of the neofunctionalist approach is the work of Alan Milward (1992: 11-12).

4 Contrary to the conventional reading and misinterpretation of neofunctionalism, Haas actually held that such a shift in loyalties need not be absolute or permanent, allowing for multiple loyalties (Haas 1958: 14). In addition, soon after devising his original definition of integration, Haas downplayed the previously amalgamated endpoint (Haas 1960), and also abandoned shifting *loyalties* as a defining characteristic of integration. Instead, he emphasised the transfer of *authority* and *legitimacy* (Haas 1970: 627-28, 633).

5 As described below, later on the term spillover was used to explain all the different neofunctionalist dynamics.

6 The terminologies of functional, political and cultivated spillover were not part of the first generation neofunctionalist vocabulary.

7 See Taylor (1983: 9-10). It should be noted that the term '*engrenage*' has been given different meanings by different authors which has led to considerable semantic confusion: Pinder (1991: 26, 32) calls '*engrenage*' what Lindberg meant by 'informal co-optation' (see later on in this sub-section). Wallace (1990a: 17) stretches the term to include the reorientation of economic interests among mass publics. Finally, Nye (1971: 51-2) and Russell (1975: 61-2) attached a wholly different meaning to the term. Their notion of *engrenage* can be seen as a variation of functional spillover.

8 Also cf. Rosamond (2005) who suggests that Haas has been misread on several points.

9 For a misinterpretation of neofunctionalism on this point, see Marcussen and Risse (1997). Contrary, to Marcussen and Risse, Haas acknowledged the existence of multiple identities already in Haas (1958: 5, 9, 14).

10 On the similarities and overlaps of neofunctionalism with other approaches see Niemann (2006: 302-305).

11 See for example Haas (1958: 291-292); Lindberg and Scheingold (1970: 119). I agree with Rosamond (2005: 242, 250) who suggests that Haas's neofunctionalism was shot through with an interests in cognitions, perception and the sociological dimension of institutionalised interaction, and that the deployment of constructivist

vocabulary benefits (revised) neofunctionalist theory. See also Haas (2001, 2004) who made the relationship between neofunctionalism and constructivism a prominent theme in his final contributions to European integration.

12 However, structure was arguably more important in (early) neofunctionalism than acknowledged by Haas (2001: 29), given the emphasis on functional-economic interdependencies.

13 Tranholm-Mikkelsen (1991: 18-19) has suggested viewing integration as a dialectical process. Although this is where he saw the limitations of neofunctionalism, he does not seem to make this suggestion with a view to reforming the theory.

14 As the brackets in the previous sentence suggest, even these criteria are not entirely materially/objectively determinable, but leave scope for varying perception, as will be further illustrated below.

15 Haas (1958: ch. 8 and 9) had suggested that interest groups would increasingly organise as Brussels-based umbrella organisation and conduct their lobbying efforts in a co-ordinated manner transnationally.

## **Guide to further reading**

Haas, E.B. (1958) *The Uniting of Europe: Political, Social and Economic Forces, 1950-7* (London: Stevens). This seminal work has provided the foundation of (early) neofunctionalist theory. Now in its third edition, the book is one of the most frequently referenced titles in the entire literature on European Integration.

Haas, E.B. (1970). 'The Study of Regional Integration: Reflections on the Joy and Anguish of Pretheorizing' *International Organization* 24(4), 607-644. This self-critical piece provides a useful specification of Haas's earlier work.

Haas, E.B. (2001) 'Does Constructivism Subsume Neo-functionalism?' in Christiansen, T., Jørgensen, K.E., and Wiener, A. (eds), *The Social Construction of Europe* (London: Sage), 22-31. An important *post-hoc* reflection of his earlier work in the context of constructivist theory.

*Journal of European Public Policy* (2005), Vol. 12, No. 2, Special Issue in Honour of Ernst Haas. An edited collection of papers that reviews different aspects of (Haas's) neofunctionalism.

Lindberg, L. (1963). *The Political Dynamics of European Economic Integration* (Stanford, CA: Princeton University Press). This is also a neofunctionalist classic. While Haas (1958) focused on the ECSC, Lindberg here concentrated his analysis on the EEC.

Niemann, A. (2006). *Explaining decisions in the European Union* (Cambridge: Cambridge University Press). This book analyses, restates and develops (earlier) neofunctionalist theory and assesses the usefulness of the revised neofunctionalist framework on three cases studies.

Schmitter, P. (1969) 'Three Neo-functional Hypotheses About International Integration' *International Organization* 23(2), 161-166. A concise formulation of the concept of spillover.

Tranholm-Mikkelsen, J. (1991) 'Neo-functionalism: Obstinate or Obsolete? A Reappraisal in the Light of the New Dynamism of the EC', *Millennium: Journal of International Studies* 20(1): 1-22. A useful commentary and a fine systematisation of neofunctionalist thought.

## **Core questions**

1. Explain the concept of spillover. What is its value-added for theorising European integration?
2. Discuss the criticisms that have been levelled against neofunctionalism. To what extent and in which regard has neofunctionalism been fairly/justifiably criticised?
3. What contribution has neofunctionalism made to theorising European integration?
4. (How) can neofunctionalist theory be modified/reformulated so as to account for the European integration process of the late 20<sup>th</sup> century and early 21<sup>st</sup> century?
5. To what extent and how has neofunctionalism influenced and informed more recent theoretical approaches? Which approaches to theorising European integration/governance seem to have been particularly inspired by neofunctionalist thought?

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