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**The European Union: Supranational or  
Intergovernmental?  
A Recount and Analysis of Both Schools of Thought**

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**Abstract**

*This essay aims to highlight the virtue in both supranationalism and intergovernmentalism when recounting the history of European integration. It is argued that one should not wholly subscribe to one line of thought, and each are deserving of an equal application. However, this essay also aims to prove that the application of either concept is limited, and argues for a more holistic approach to integration theory.*

European integration has been a step-by-step process that has proceeded with a realignment of sovereignty which is totally unique in the world system. Naturally, this has attracted much attention from scholars of the international relations (IR) school of thought. For those who subscribe to IR, conceptualising European integration has historically been a contest between two key concepts – supranationalism and intergovernmentalism. The support of these terms has fluctuated in ebbs and flows as a response to developments in integration, which has further resulted in tinkering and altering the models of both concepts. It is submitted that both terms serve their purpose, but understanding is better served if one does not wholly subscribe to grand theories. What follows is an analysis of both theories in the context of the institutional set up of the European Union.

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Supranationalism is a theory belonging to neofunctionalism and its founding father Ernst Haas.<sup>2</sup> In light of the establishment of the European Coal and Steel Community (ECSC), Haas was seeking to explain the dynamics of change, and developed his theory of neofunctionalism to predict the future of integration. For Haas, creation of the ECSC would provoke further economic and political integration by process of functional ‘spillover’. What he meant was that integration in coal and steel would naturally produce integration in adjoining and related sectors.<sup>3</sup> Additionally, and as a consequence of functional spillover, more ‘political spillover’ arises as states promote their national interests, offering ‘package deals’ with one another that sees linkage of unrelated issues.<sup>4</sup> The end result of this continual linkage by spillover is the establishment of supranational institutions, who may also push their own agendas and generate their own ‘cultivated’ spillover. Supranational institutions, by definition, are decision making bodies that are largely independent of national governments, who are consequentially forced to accept these decisions.<sup>5</sup>

Haas and others used the snowballing nature of spillover theory to suggest that it also has generated ‘elite socialisation’ within the EU, which acts as an additional catalyst. Integration has come to a point where “political actors in several distinct national settings are persuaded to shift their loyalties, expectation and political activities toward a new centre”, which has resulted in a new and superimposed political community.<sup>6</sup> Scholars take this further to suggest that this new agenda of political communities is also true of ‘supranational interest groups’, who want to promote their own supranational agenda in light of the foreseeable benefits of integration.<sup>7</sup> ‘Supranational interest group’ theory, coupled with the ‘spillover’ and ‘elite socialisation’ theses form the three core concepts of neofunctionalist thinking. Determining the validity of this thinking asks one to consider whether EU integration has been the result of unintended consequences – caused by spillover and the actions among actors involved in decision making.

Can one recount the history of EU integration as neofunctionalist? Did original decision makers who drafted the *Rome Treaty* envisage the structure and form that supranational EU institutions assume today? Supranationalism exists in all pillars of the EU. The dissolution of veto power and the establishment of qualified majority voting demonstrates how sovereignty has shifted towards the supranational domain in the Council. European Parliament is a body that is directly elected by citizens to legislate for a supranational agenda. Seating in the Parliament is not aligned by nationality;

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<sup>2</sup> E. Haas, *The Uniting of Europe: Political, Social and Economic Forces 1950-57*, Stanford, Stanford University Press.

<sup>3</sup> N. Nugent, *The Government and Politics of the European Community*, Basingstoke, Macmillan, 1999, p. 507.

<sup>4</sup> Ibid.

<sup>5</sup> E. Bomberg, ‘Theory and Conceptual Tools’, in E. Bomberg, J. Peterson & A. Stubb (eds.) *The European Union: How does it work?*, New York, Oxford University Press, 2008, p.10.

<sup>6</sup> E. Haas, *The Uniting of Europe: Political, Social and Economic Forces 1950-57*, Stanford, Stanford University Press, p. 16; L. Hooge, ‘Supranational Activists or Intergovernmental Agents?: Explaining the Orientations of Senior Commission Officials Toward European Integration’, *Comparative Political Studies*, vol. 32, no. 4 (June 1999), pp. 438-440.

<sup>7</sup> C. Strøby Jensen, ‘Neo-functionalism’, in M. Cini (ed.) *European Union Politics*, New York, Oxford University Press, 2007, p. 86.

rather, Members of Parliament sit according to political ideology. The Commission is a legislator with a monopoly in drafting bills of a supranational focus. Each Commission employee is expected to surrender their national identity and represent the interests of Europe as a whole – which many authors note as a leading cause of cultivated spillover.<sup>8</sup> Whether this level of supranational integration was unintended and as a consequence of the three theses of neofunctionalism is debatable, but it is obvious that EU institutions comprise of some sort of supranational embodiment.

Perhaps the most salient evidence of neofunctionalist integration is the development of the European court of Justice (ECJ). Burnley and Mattli recount how the initial beginnings of the ECJ, “like that of any other international treaty, depended entirely on action by the national legislatures of the member states and the community”.<sup>9</sup> Now, it goes beyond the original intention to serve as mechanism of international mediation to yield supranational jurisdiction over all member courts. It has the power to invalidate domestic laws if it is in conflict with EU law. Citizens have direct access to the courts, having the ability to litigate any other citizen or member state of the EU.<sup>10</sup> The ECJ is a true supranational institution in the neofunctionalist perspective as the role assumed by the Court today was unintended. The Court has been pragmatic in using judicial activism to interpret the *Treaty of Rome* to advantage integration, generating spillover into areas not originally intended to be regulated. Law is seen as an impartial, objective and non-political tool, and the Court has used this to their advantage. This “‘mask’ of formal legalism allows the Court to ‘shield’ its judgments from political retaliation, even when governments disapprove of these rulings.”<sup>11</sup> It cannot be argued that governments willingly gave this power to the ECJ through some sort of intergovernmental bargain, as intergovernmentalism would assume.

Intergovernmentalism theory emerged in light of stagnation in European integration in the 1970’s and is the most apposite alternative to neofunctionalism. In true realist tradition, intergovernmentalism seeks to emphasise that EU cooperation is a pooling of sovereignty, rather than any transfer from national to supranational levels, and stresses that nation-states are the most influential drivers of integration.<sup>12</sup> Andrew Moravcsik’s ‘liberal intergovernmentalism’, the most recent and most accepted version of this line of thought, rationalises supranational EU institutions as places where “agreements are reached on a lowest common denominator basis, with clear limits placed on the transfer of sovereignty to supranational agents”.<sup>13</sup> For those who subscribe to liberal intergovernmentalism, and for those neo-realists alike, EU institutions are only in place to reduce the level of anarchy

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<sup>8</sup> J. Goldsmith, *International Relations*, 5th ed, New York, Longman, p. 384-387.

<sup>9</sup> A. Burnley and W. Mattli, ‘Europe Before the Court: A Political Theory of Legal Integration’, *International Organization*, vol. 47, no. 1, (1993), pp. 42.

<sup>10</sup> *Ibid.*, p. 42.

<sup>11</sup> G. Tsebelis and G. Garrett, ‘The Institutional Foundations of Intergovernmentalism and Supranationalism in the European Union’, *International Organization*, vol. 55, no. 2, 2001, p. 362.

<sup>12</sup> R. Keohane and S. Hoffmann, *The New European Community: Decision Making and Institutional Change*, Boulder, Westview Press, 1991, pp. 275-277.

<sup>13</sup> M. Cini, ‘Intergovernmentalism’, in M. Cini (ed.) *European Union Politics*, New York, Oxford University Press, 2007, p. 103.

within the state system, and have been enhanced over time to ensure the credibility of intergovernmental bargaining between competing national interests. To borrow the words of Moravcsik, “the 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”.<sup>14</sup>

The boycott of European institutions by French President Charles de Gaulle is the most dramatic illustration of liberal intergovernmentalism. Recounting this crisis within Moravcsik’s thesis mounts a persuasive line of argument. De Gaulle was firstly concerned about securing commercial advantage and strongly sought a financing agreement for the Common Agricultural Policy (CAP). When the Hallstein Commission refused to accept de Gaulle’s hard-line, he used France’s large bargaining power to his advantage. By boycotting discussions he reduced the credibility of the European Economic Community to the point of embarrassment, thereby forcing other parties into agreeing into the Luxembourg compromise. Other member states were duped into taking this deal because they saw it in their interest to enhance the credibility of the Commission. The so called ‘empty chair crisis’ certainly demonstrates the potency of Moravcsik’s reasoning, and does so in the most theatrical of ways.

As one can see, both concepts – supranationalism and intergovernmentalism – have their virtue in explaining the patterns and history of European integration and institutionalisation. Both give alternate explanations that predict different paths of integration, which therefore begs the question as to which one is more ‘correct’. To take an example, the origins of the *Single European Act (SEA)* demonstrate how this is a difficult and arguably futile exercise. Intergovernmentalism would champion the *SEA* as a reform instigated by intergovernmental bargaining. The agreement was reached because national interests of influential governments converged – that interest being the reduction of barriers to trade.<sup>15</sup> A free trade agreement is a means to the end of ensuring the credibility of such goals. Neofunctionalism, however, would view the *SEA* as an official consolidation of the functional practises that had emerged. The *SEA* came about through pressures created by spillover – or the growing discontent of nations and their *de facto* lack of free trade. This, in turn, “reflected acts of institutional creativity of the Commission, the jurisprudence of the Court of Justice, and processes institutional interaction” thereby consolidating the supranational control of the common market system.<sup>16</sup>

While the merits of both concepts are evident, the overlap and duplicity of arguments demonstrates the shortcomings of wholly subscribing to any grand theory. Neofunctionalism suggests that the supranational institutions of the EU would develop and enhance incidentally, and underestimates the importance that should be placed on the nation state. The empty chair crisis clearly shows how integration is not an incidental process, and is dependant

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<sup>14</sup> A. Moravcsik, *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht*, London, University College London Press, 1998, p.3.

<sup>15</sup> B. Rosamond, ‘New Theories of European Integration’, in M. Cini (ed.) *European Union Politics*, New York, Oxford University Press, 2007, pp.111.

<sup>16</sup> *Ibid.*

upon the “aggregate interests of the single nation state and its determination to survive”.<sup>17</sup> On the other hand, intergovernmentalism cannot explain the day-to-day functions of the EU. It does not explain why institutions have evidently focused on the path to integration and not the aggregate interests of member states. It fails to account for how the ECJ is now an insurmountable and supranational authority over its members, and does not adequately address the supranational qualities of other institutions. Furthermore, it fails to recognise what impact business and societal groups will have in the age of globalisation. Without a doubt, if one wholly aligns themselves to one school of thought, it would bring about incorrect assumptions about the history and future of EU integration.

It is therefore submitted that both concepts deserve an equal interpretation when theorising EU integration, but one must appreciate the shortcomings of the ‘old IR debate’. This is to say that while the supranationalism/intergovernmentalism dichotomy is of use, what is happening in Europe is *sui generis* and therefore goes beyond the general realism/liberalism critiques that the theories of intergovernmentalism and neofunctionalism draw upon. After all, the heart of IR theory is based on notions of *power* and *sovereignty*, to which EU integration does not conform. Power is not only being redistributed within institutions, but through security agreements as well, like the Common Foreign and Security Policy (CFSP). If the right to a use of force is delegated by government to some other power – which is partially evident within the CFSP (albeit an embryonic agreement) – the definition of the state comes into disrepute.<sup>18</sup> The supranational realignment of sovereignty, as we have seen, challenges the second core IR concept. Not only this, but many note the way which sovereignty and decision making is being transferred away from national governments to subnational levels as well, due to increased interaction and coordination between supranational institutions and local governments.<sup>19</sup> If the core concepts of IR theory cannot be rigidly applied when theorising integration, how can one legitimately advocate the grand theories that build upon them?

IR theory is all but a failure if integration is considered beyond the intergovernmentalism/supranationalism paradigms. Perhaps, although ambitious, one could argue that the EU is in the process of becoming one single state, as postulated by Rosamond.<sup>20</sup> If one rethinks integration with the conception of the EU as a global actor, it could be argued that the EU is “an entity seeking to advance its own interests (in the global arena), and particularly, render itself secure from external threat.”<sup>21</sup> It is therefore slowly accumulating power, through institutionalised integration, in order to fulfil that purpose. This allows one to resort to classical IR theories discussed

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<sup>17</sup> C. Strøby Jensen, ‘Neo-functionalism’, in M. Cini (ed.) *European Union Politics*, New York, Oxford University Press, 2007, p. 89.

<sup>18</sup> J. Øhrgaard, ‘International Relations or European Integration: is the CFSP *Sui Generis*?’ in B. Tonra and T. Christiansen (eds.), *Rethinking European Union Foreign Policy*, Manchester, Manchester University Press, pp. 26-30.

<sup>19</sup> E. Bomberg, ‘Theory and Conceptual Tools’, in E. Bomberg, J. Peterson & A. Stubb (eds.) *The European Union: How does it work?*, New York, Oxford University Press, 2008, p. 10.

<sup>20</sup> B. Rosamond, ‘New Theories of European Integration’, in M. Cini (ed.) *European Union Politics*, New York, Oxford University Press, 2007, pp.123-125.

<sup>21</sup> *Ibid.*, p.124.

above, but does so recklessly and with no attention to the national interest of member states. It also does not solve the inherent issues that intergovernmentalism and neofunctionalism confront.

Nonetheless, Rosamond's actor theory supports the argument that what is occurring is *sui generis*; Europe is undergoing some form of transformation which has seen a realignment of sovereignty and has significantly altered the functions of European nation-states. Historically, this is nothing new. Considering the *Republica Christiana*, the Peace of Westphalia and the revolutions, one can conclude that Europe has always been the polity that defines how the world is organised - and the recent integration of Europe should be no exception. In light of today's modern system of states, the concepts of supranationalism and intergovernmentalism have served their purpose in explaining how integration should be theorised, but as we have seen, their application is limited. Obviously, there is no clear answer to explaining European integration; which is why the EU and its institutions will be the source of much scholastic innovation in years to come.