

Neofunctionalism: logic and critique

Neofunctionalism is one of the most prominent theories of European integration and a core part of the wider debate between supranational and intergovernmental perspectives on integration in Europe. This extract examines neo-functional theory, firstly through a description of the neo-functional logic of integration, secondly through a discussion of its core notion 'spill-over' and finally through an examination of the intergovernmentalist critique of neo-functionalism. As you will see neo-functionalism shares some ideas with functionalism's focus on the impact of technical cooperation. However, it is less prescriptive as a theory than functionalism and more concerned with understanding why and how integration happens in practice.

The logic of neo-functionalism

Building on the early developments in European integration in the late 1950s, neo-functionalism developed a model to explain the growing level of European integration and the role of supranational bodies in the furtherance of this integration. Neo-functionalism rests on a core number of intellectual pillars.

Firstly, it argues that when countries agree to cooperate in a given sector this cooperation creates incentives to cooperate in other similar and/or related areas. Indeed, the full benefits from integration in sector A can sometimes only be realised by also cooperating in sectors B and C (the so-called spillover effect - see below). Secondly, neo-functionalism holds that economic integration almost always leads to an increase in interaction between actors in the integrating region. Consequently, sub-state actors begin to cooperate politically across borders to lobby their political leaders. Interest groups begin to flourish at a regional level and domestically interest groups lobby their

governments to further integrate. Thirdly, the supranational body designed to oversee integration (in the EU case, the European Commission) begins to pursue strategies to deepen integration in already integrated sectors and expand integration to other sectors (and in doing so further its own interests). Supranational bodies can achieve this by continuously promoting the benefits of further integration and building or supporting regional and domestic interest groups that will press for further integration.

Spillover

The concept of 'spillover' is perhaps the most important part of the theory of neo-functionalism. Spillover refers to the mechanism by which integration in one area creates the conditions and incentives for integration in another related policy area (the first point raised above).

In the context of early European integration it was argued that cooperation in core sectors such as coal and steel (while beneficial) could not be fully achieved without also integrating in other sectors, such as transport for example, that were central to the integration of coal and steel (Rosamond, 2000, p.60).

The notion of spillover itself, however, rests two logics (Rosamond, 2000, p.60). One is an *expansive* logic that essentially argues, as stated above in the coal and steel case, how integration in one sector can create incentives and pressures to integrate in other adjacent sectors (Rosamond, 2000, p.60). The second logic refers to *deepening* of integration in the same sector. Rosamond (2000, p.60) gives the example of a customs union that would work more effectively if states agreed on exchange rate parity. However, agreeing to an exchange rate parity mechanism would be likely to increase incentives for wider monetary cooperation (such as a currency union) (Rosamond, 2000, p.60).

Neo-functionalism: the intergovernmentalist critique

While neo-functionalism offers a compelling logic of integration, both failings of integration in other parts of the world and stagnating European integration throughout the 1960s and 70s challenged some of the assumptions of neo-functionalism (Eilstrup-Sangiovanni, 2006, p.97). Indeed, Neo-functionalism was criticised for assuming a degree of automaticity in integration processes and failing to account for increasing protectionism and limitations to integration put up by member states at times (Eilstrup-Sangiovanni, 2006, p.97).

The most prominent critique of neo-functionalism came from a group of scholars who advanced a view of integration grounded in realist theory of international relations focusing primarily on the interaction between governments. Eilstrup-Sangiovanni (2006, p.97) suggests that this *intergovernmentalist* critique of neo-functionalism rests on a number of arguments.

- 1) Firstly, intergovernmentalists dismissed the attention placed on non-state actors in neo-functionalism (Eilstrup-Sangiovanni, 2006, p.97). They argued for continued attention to states and their conception of the national interest – for them the core actors of international relations. Indeed, intergovernmentalists argued that states, particularly through their foreign offices, remained the ultimate authorities on integration and were able to resist integration when they wanted to (Eilstrup-Sangiovanni, 2006, p.97-8).
- 2) Secondly, they argued that member states have coherent unified negotiating positions and were thus able to resist efforts from organised interests both at the domestic and European levels (Eilstrup-Sangiovanni, 2006, p.98).

3) Thirdly, intergovernmentalists took issue with the notion of spillover. For them there was no automaticity in processes of integration. Indeed, it was states that made the decisions to integrate or not based on a calculation of their interests (Eilstrup-Sangiovanni, 2006, p.98).

Some Intergovernmentalist scholars such as Stanley Hoffman argued that neo-functionalists were too optimistic about European integration. Indeed, intergovernmentalists often felt that neo-functionalists placed too much stress on internal European factors and forgot to analyse the broader context that Europe found itself in and how this broader context and European states' relations with third party actors might impact (negatively) on European integration (Eilstrup-Sangiovanni, 2006, p.98).

Nonetheless, neo-functionalism remains a powerful tool for analysis of the EU and it could be argued that in the period of enhanced integration since the mid 1980's the theory has again increased in relevance. While, it clearly appears that neo-functionalism is better at explaining integration than explaining pauses in integration, it still presents a useful framework for analysing contemporary European integration.

Further Reading:

Eilstrup-Sangiovanni, M (Ed). (2006). *Debates on European Integration*. Palgrave Macmillan: Basingstoke.

Rosamond, B. (2000). *Theories of European Union Integration*. Macmillan: Basingstoke.