

LI: explanation and critique

So as to fully grasp the 'two level games' position of Liberal Intergovernmentalism it is necessary to draw attention to a number of core assumptions put forward within the theory. In particular, one of the interesting factors about LI is its merge of liberal domestic theory with an intergovernmentalist state-centric view of international relations at the EU level. This section first describes the domestic axioms of LI (the first level), then assesses the theoretical assumptions at the state-state level (the second level) and presents an overall, streamlined, description of LI's view of integration in the EU. The final section discusses some of the critique levelled at LI.

First level: domestic politics

The most important theoretical feature at the domestic level of LI is that it is based on a *liberal model* of national preference formation. Specifically, Moravcsik invokes a 'liberal commercial' or 'pluralist' approach with regards to national policy preference formation. This liberal commercial approach essentially says that governments aggregate (find the average of) the policy desires of the major groupings in the domestic society they represent (business, the military, public opinion etc.). In other words, as per liberal models of the state that see the state as reflecting the interests of society as a whole, Moravcsik argues that European states are lobbied and pressurised by domestic groups, for example businesses or NGOs, to adopt policies (or not) at the international level. From all of these different inputs the state managers (governments) then decide on a middle point aggregation of these different interests. This 'average' of the policy desires at the domestic level then becomes a set of 'national policy preferences' at the international level.

Second level: state to state bargaining

Moravcsik then offers a model of intergovernmental bargaining between EU states at the international level. At the international level, Moravcsik defines states as unitary. This means that, while states contain lots of different groups and interests at the domestic level, Moravcsik sees states as being a single actor at the international level speaking with one voice in support of one national position.

Furthermore, Moravcsik sees states as 'rational actors' that make decisions based on a cost-benefits analysis. This means that at the international level states make decisions based on whether a settlement between EU states is in their interests by weighting up the pros and cons of an issue. Thus, at the 'state bargaining' stage states are assumed to be unitary, rational actors aiming to maximise their gains and minimise their losses in line with their national policy preferences against other states who may have alternative policy preferences.

The final decision of bargaining between European states is decided by the relative power of each party. Here the more a state has to lose from *not securing* what it needs from a negotiation (i.e. staying with the *status quo*), the more it will have to concede to get an agreement reached. Generally speaking, LI argues that the less a state has to lose from walking away from the negotiation, the more powerful its bargaining position and the more likely will be able to achieve its overall objectives. Big, powerful member states are generally thought to be able to walk away more easily and thus more likely to get their one way.

LI simplified

Stripped down to its most fundamental tenets, the theory of LI argues the following.

1. European states decide on their national policy preferences by aggregating the policy desired of the most influential sections of society.
2. Governments adopt these policies as national policy.
3. They then take these positions to interstate bargaining situations (Council of Ministers meetings, European Council meetings etc).
4. Outcomes depend on the relative power of the states taking part and the amount that they had to lose by not finding a solution. If one state can walk away from the negotiation with little cost to itself, then it is in a more powerful position than those who cannot.

Questioning Liberal Intergovernmentalism

The theory of Liberal Intergovernmentalism has been very influential in the conceptualisation of European integration and, correspondingly, has sparked much debate. Like neo-functionalism before it, LI has been a theory that many in the field have sought to either work with or oppose and challenge (Rosamond, 2000, p.145). The remainder of this extract draws attention to some of the critiques of LI.

Rosamond (2000, p.145), highlights how scholars such as Lindberg have suggested that LI supports arguments made by neo-functionalists. He notes how the different interests between member states and the different interests of groups at the national level mean that the Commission is able to act as a policy entrepreneur playing off different actors against each other (Rosamond,

2000, p.145). For (former) neo-functionalists such as Lindberg, LI does not pay enough attention to supranational actors such as the Commission, downplaying their role and thus not taking their importance into account (Rosamond, 2000, p.145).

Wincott (1995) has criticised Moravcsik for focusing too much on the 'supply side' of integration (i.e. the final decisions to integrate) rather than the demand side (i.e. the pressures that lead states to decide to integrate in the first place) and the role of supranational bodies (Wincott, 1995, p.603). He suggests that Moravcsik's theory relates more to explaining integration rather than understanding the governance of the EU on a day to day basis (Wincott, 1995, p.603). Some would argue that it is the culmination of day to day events and governance problems or opportunities that creates the impetus for further integration. Of course this brings one much closer to the tenets of neo-functionalism.

Likewise, Wincott has suggested that LI is an "approach" rather than strictly speaking a "theory" as it does not lay out the conditions under which the theory might be proved false (falsified) (1995, p.600). Whether you agree with this of course depends somewhat on the definition of theory you adopt and view on the *purpose* of theory (see '*Why theorise at all*' earlier in this module).

Likewise, as discussed in Rosamond (2000, p.147), Smith and Ray (1993) criticise the reduction to only two levels of analysis in LI. They argue that in addition to the domestic level and the inter-state level, scholars of European integration should also focus on other forums of interaction such as:

1. Regular, institutionalised EU state - EU state level (in the council of ministers for example).
2. EU member state - non EU member state negotiations
3. Sub-national exchange between domestic levels

This focus sees Moravcsik's two levels as too narrow and calls for bringing into the analysis other agents such as non-EU states and non-state actors. Such an approach starts to match closely with the picture of multi-level governance introduced in the previous module (Rosamond, 2000, p.147).

Many of these debates stem from a disagreement on the basic actors in the European integration process. Moravcsik limited his focus to the actions of states. Within his model states are the most important actors in that they aggregate domestic preferences and then act on them at the international level. Other scholars, however, for both academic and political reasons, do not wish to focus solely on states. Some think that other actors such as the Commission or the ECJ, are also (or equally as) important in the policy making process. Furthermore, for some scholars, particularly those that politically favour greater European integration, states are part of the problem of European integration, rather than necessarily the drivers of it.

Further reading

Moravcsik, A. (1993). Preferences and Power in the European Community; A Liberal Intergovernmentalist Approach. *Journal of Common Market Studies*. Vol 31 (4). (pp. 473-424).

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

Wincott, D. (1995). Institutional Interaction and European Integration: Towards an Everyday Critique of Liberal Intergovernmentalism. *Journal of Common Market Studies*. Vol 33 (4). (pp. 597-609).