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# **5th Euroacademia International Conference on the European Union and the Politicization of Europe**

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### **Conference Paper**

The Brexit Vote: conceptualizing European (Dis)Integration

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### **Abstract**

The European Union is ‘in a state of disequilibrium’ (Bickerton et al 2014: 14), ‘failing forward’ (Jones et al 2015), or even more straightforwardly – the EU is at risk of disintegration (Legrain 2015). Indeed, the British vote to leave the European Union in last June's EU referendum has put a question mark on the future of European integration, not least because for the first time in its history a member state is exiting the EU. Yet, academic research specifically addressing European disintegration is at its early stages. By exploring whether theories of European Integration can shed some light in explaining and conceptualizing European Disintegration, this paper will take stock of the emerging literature on European (Dis)integration (Schmitter and Lefkofrid 2015; Scheller and Eppler 2014; Vollaard 2014; Oliver 2015; Zielonka 2014) and will apply it to the outcome of British EU referendum. In particular, the contribution will explore the Brexit vote by comparing and contrasting Neo-functionalism's concept of "spillback" and "countervailing forces" with four of the six hypothesis of the New Intergovernmentalism.

**Key words:** disintegration; brexit; EU; neo-functionalism; new Intergovernmentalism

## **1. Introduction**

The British vote to leave the European Union in last June's EU referendum has put a question mark on the future of European integration, not least because for the first time in its history a member state is exiting the EU. Yet, academic research specifically addressing European disintegration is at its early stages. For instance, Differentiated integration seeks to explain why some member states prefer ‘isolation’ or opt out from specific policy areas. Yet, as their authors acknowledge, their conceptual framework is still to fully integrate disintegrative dynamics and explain the processes of what may lead the European Union to disintegrate (Fossum 2015, Leruth and Lord 2015). Similarly, Multi-Level Governance also suffers from the same problem. Although its authors ‘claim that politicization of European integration has changed the content, as well as the process of decision making’ (Hooghe and Marks 2009: 8), they also observe that this will still lead to (although less) integration. In other words, Multi-Level governance also avoids explicitly incorporating disintegrative elements into their theory. That said, because the literature on Multi Level Governance and Differentiated Integration do not offer much expectation on the directionality of integration, this is precisely where opportunity arises for these theories to specify a model that not only accounts for processes of integration but also processes of disintegration. Yet other scholarly work seem to suggest the fusion between the Neofunctionalist and Intergovernmentalist schools to explain why the European Union is, as they put it, “Failing Forward” (Jones et al 2015).

This paper engages with both Neo-functional hypothesis of European (dis)integration as well as with the six hypothesis of the New Intergovernmentalism, which this paper claims is better seen as a theory of

disintegration, and applies it to the outcome of the UK's EU referendum. The paper is structured as follows: the first section engages in detail with the New Intergovernmentalism. In the second section it combines Niemann's Neo-Functionalist concept of "countervailing forces" with the several Neo-Functionalist hypothesis proposed by Lefkofridi and Schmitter (2015) paper '*Neo-Functionalism as theory of Disintegration*'. The third section deals with the Brexit vote and the last section discusses its implications to the emerging study of European disintegration.

## 2. The New Intergovernmentalism as a Theory of Disintegration

Contrary to Liberal Intergovernmentalism, that sees 'the EU is in a 'stable institutional equilibrium' (Moravcsik 2002: 603; Bickerton et al 2015: 17) the authors of the New intergovernmentalism state, in their hypothesis 6, that the European is in a 'state of disequilibrium' (Bickerton et al 2014: 14). However, this is not used to explain a potential break-up of the European Union. Rather, it explains a particular feature of European integration since Maastricht. Furthermore, despite acknowledging that Liberal Intergovernmentalism puts 'too much faith' on the capacity of member states to legitimize EU decision-making (Bickerton et al 2015: 38), their **hypothesis 4**, that attempts to account for problems in domestic preferences (Bickerton et al 2015: 12), it's not placed in a disintegrative framework either. Neither it is the blurring between high and low politics, **hypothesis 5**, even though here it is acknowledged that '*isolation or withdrawal from the logic of European integration*' (Bickerton et al 2014: 13) might be possible. That is, because it is assumed that high and low politics are not a feature in the post-Maastricht, the discussion on 'withdrawal' is not seen as disintegrative or a zero-sum game in Hoffmann's terms. Rather, it is a discussion to be 'found mostly on the margins of Eurosceptic sentiment' (Bickerton et al 2014: 13). As it will be demonstrated below, apart from **hypothesis 3** "*Where delegation occurs, governments and traditional supranational actors support the creation and empowerment of de novo bodies*" all other hypothesis of the NI better grasp (dis)integration.

What is puzzling in placing high and low politics at the same level of abstraction is that this is not accompanied by a formulation of whether it was what was previously seen as high politics (state survival) that became to be seen as low politics or whether it was what was previously thought to be low politics (socio-economic relations) that were "elevated" to high politics. Simply stating that the difference between high and low are blurring without specifying, and without seeing the need to specifying it right at the beginning (Bickerton et al 2015: 35), is problematic for their explanation of the post-Maastricht period because this **hypothesis 5** seems to focus only on (the diminishing of) high politics. Indeed, the New Intergovernmentalism avoids addressing the (high politics) dynamics of the Eurozone especially after the financial crisis, even though their authors seem to highlight this in their conclusion chapter (Bickerton et al 2015: 313-4). As a result, and assuming that the 'sudden politicization of areas traditionally thought as of 'low politics'', such as fiscal redistribution in the Eurozone (Bickerton et al 2015: 313), is seen as the upgrading of low politics into high politics, the conditions would be met for this **hypothesis 5** of the New Intergovernmentalism to act as one of the variables that may lead to disintegrative processes as they reflect tensions between member states and therefore help to explain why the EU is in disequilibrium. However, the authors of the New Intergovernmentalism see these tensions as integrative rather disintegrative. To be sure, it is not being argued here that integration did not occur despite the increased politicization of what was once perceived as low politics. Rather, the argument putting forward here is that the New Intergovernmentalism does not open up their hypothesis 5 to the possibility that this may lead to disintegrative dynamics, even though 'it views disequilibrium as a systemic feature of post-Maastricht integration' (Bickerton et al 2015: 71).

Another factor that explains European integration since Maastricht is, accordingly to the authors of the NI, the transition of the EU countries from the Westphalian nation-states to member states. Accordingly, a key feature of the New Intergovernmentalism that is totally at odds with Moravcsik LI is that member states may suffer from legitimacy problems at home partly due to their involvement in the EU decision making process (Bickerton et al 2015: 27). But here too, what could be interpreted as a disintegrative process is presented as a component that enables further integration. Indeed, although the New Intergovernmentalism points out that there's been a domestic transformation in the attitudes towards the European between national governments and their citizens (from a 'permissive' to a 'constraining dissensus' (Hooghe and Marks 2009; Bickerton et al 2015: 26), they see this conflict as 'structuring elements of the European integration process' (Bickerton et al 2015: 28). Thus rather than seeing this conflict as a potential disintegrative process, the New Intergovernmentalism

places this domestic problems has ‘stand-alone inputs’ (**hypothesis 4**), that fosters European integration, rather than undermines it (Bickerton et al 2015: 33).

Another key point for the discussion of disintegrative processes that the New Intergovernmentalism makes is in their **hypothesis 2** – that the institutions of the European Union are not necessarily seeking ever closer union (Bickerton et al 2015: 31). As the New Intergovernmentalism clearly demonstrate with empirical analysis, both the Court of Justice and the European Central Bank may support ‘more Europe’ but not necessarily an ever closer union as the founders of the European Union envisaged when they signed the Treaty of Rome and subsequently adopted in all European Union treaties after 1957. Neither the European Parliament did. Indeed, as Pollack and Slominski argue in their NI chapter, although it would be expected for the European Parliament to promote more control over the policy making process to other institutions of the European Union, in fact they did not. Further, the NI also argue that even the European Commission, arguably the institution of the EU that Neofunctionalists emphasize the most in fostering cultivated and political spillovers, did not seek to advocate ever closer union and foster policies that could expand its powers. Thus, NI’s **hypothesis 2** is that European institutions are not ‘hard-wired to seek ever closer union’ (Bickerton et al 2015: 31-31, 308-10). Yet, the authors of the NI interpret this hypothesis (as all the others aforementioned above) as explaining European integration rather than opening them up to an explanatory that accounts for disintegrative processes. Indeed, if it is demonstrated, and the authors of the NI claim that they do, that European institutions are themselves not promoting ever closer union, then the question arises whether the European Union may one day be doomed (Zielonka 2014).

In fact, their final hypothesis, **Hypothesis 6** “The European Union is ‘in a state of disequilibrium’ (Bickerton et al 2014: 14) grasps the entire NI – a theory of European (Dis)integration. Indeed, as Auer (2016) rightly asks “what are the consequences of the ‘persistent disequilibrium’? If Europe’s fragility is its new normal, how lasting is it going to be? I am curious to know what comes after new Intergovernmentalism”. Indeed, as the authors of the NI themselves acknowledge, “in studying the EU from the perspective of disequilibrium, this approach breaks with a strong scholarly preference for focusing on stability and continuity” and then conclude that “disequilibrium as a property of the post-Maastricht phase opens up fundamental questions about the durability of European intergovernmentalism as things stand” (Bickerton et al 2015: 716-7).

Furthermore, if there was one hypothesis in the NI that (together with hypothesis 3) seemed to grasp European integration in the post-Maastricht period it was their **hypothesis 1** “*Deliberation and consensus have become the guiding norms of day-to-day decision-making at all levels*”. It’s worth noting here that this hypothesis is built upon Uwe Puetter’s ‘Europe’s Deliberative Intergovernmentalism’ thesis (Bickerton et al 2015: 711; Puetter 2012). However, in a recent paper Puetter (Puetter 2016: 610) states that “the absence of consensus is likely to lead to either disintegration or centralisation – two options which member states may always contemplate”. Or as Puetter also puts it elsewhere, “if consensus is threatened or impossible constitutional or redistributive adjustments are either inevitable in order to mitigate tensions and asymmetries between the Union’s member states or, if these options are not available, there is a risk of disintegration” (Fabbrini and Puetter 2016: 488). In other words, **hypothesis 1** of the New Intergovernmentalism can also explain the processes that disintegration may occur.

In sum, although H1, H2, H4, H5, and H6 have clear disintegrative elements they are used to explain the New Intergovernmentalism paradox: that since Maastricht integration in the European Union has occurred without supranationalisation. However, what stems from the analysis above is that there are disintegrative elements in all these hypothesis of the New Intergovernmentalism. As such, this places it as a theory of (dis)integration rather than as a theory that aims to explain (solely) European integration since Maastricht.

### 3. Neo-Functionalism as a Theory Of Disintegration

From all theories of European integration Neofunctionalism is the one who explicitly integrates disintegrative aspects into its theory. Starting back in the 1970s with the concept of spillback (Schmitter 1970), the account that European integration could lead to disintegration was further developed by the concept of ‘countervailing forces’ (Niemann 2006: 47-53) and recently in a more straightforward way Schmitter and Lefkofridi (2015) went as far proposing ‘Neofunctionalism as a theory of disintegration’ in an academic conference in Paris.

#### 3.1. Niemann’s countervailing forces

Niemann's countervailing forces lies on four hypothesis. Firstly, he purposes that strong domestic leaders may be sovereignty conscious (Niemann 2006: 48). That is, they may not have the predisposition to pass on key policy areas to the EU level as it can undermine the autonomy of their national government at home. Niemann gives the example of de Gaulle's and Thatcher to illustrate his argument. In a more contemporary example, Victor Orban in Hungary, David Cameron in the United Kingdom and the new elected government in Poland but also the Finnish, Slovakian and Check Republic governments also illustrate how political leaders can halt or even reverse European integration. In short, there are nationalist sentiments that Niemann argues were not properly incorporated in early Neofunctionalist theory.

Secondly, and related, there are 'domestic constrains' to be added up to what may lead to a reduced autonomy of national governments (Niemann 2006: 48). These stem from interest groups as well as media and other internal actors but also from the people (national citizens themselves, for as Niemann argues dissatisfaction with the European Union further exacerbates both domestic constraints and 'sovereignty-consciousness' what undermines national governments at home. A third characteristic in Niemann's countervailing forces are 'diversities' within the EU. This stems from many factors within a country such as economic and sociological factors and the value it has for its citizens. That is, because EU countries have different preferences, traditions and cultures, this may constrain decision making process at the EU level, thus creating a 'negative integrative impact' - the fourth element is what Niemann calls 'negative integrative impact'. Importantly, the latter concept can also be triggered from economic crisis as well as from enlargement fatigue. As Niemann points out, Neofunctionalism erroneously assumed that economic growth would be constant when this turned out not to be the case (Niemann 49-53). As a result, Niemann's directly incorporates disintegrative elements in his revised version of Neofunctionalism by stressing that 'Government's restricted autonomy to act may prove disintegrative' (Niemann 2006: 48).

Although appealing, apart from 'sovereignty-consciousness' hypothesis, Niemann's countervailing forces seem to be difficult to be confirmed empirically, as Niemann himself acknowledges. Firstly, in regarding to 'diversities' it would be expected that enlargement would create severe tensions between member states, however, as Niemann and Schmitter (2009) acknowledge, even revised Neofunctionalism leave them 'in the dark' to explain the dynamics and counter-dynamics of enlargement. Secondly, the Eurozone crisis should have had confirmed 'negative integrative climate' as a reliable countervailing force. That is, it should have led to disintegration rather than further integration. Rather, Niemann presents a Neofunctionalist spillover account of the Eurozone crisis (Niemann and Ioannou 2015). Further, it is quite puzzling that Niemann concludes that the fact Eurozone leaders 'have not yet agreed on a fully fledged fiscal union by now cannot be adequately explained by (mainstream) neofunctionalist theory because it lacks an account of countervailing or disintegrative pressures' (Niemann and Ioannou 2015: 213). Despite its limitation, the incorporation of disintegrative elements into Neofunctionalist theory puts Neofunctionalism at the forefront of conceptualizing European disintegration. Their tentative (and innovative) approach should be acknowledged especially at times when the own existence of the European Union is being put into question (Munchau 2015; Legrain 2015).

### **3.2. Neo-Functionalism as a theory of Disintegration**

In a recent paper Lefkofridi and Schmitter (2016) put forward the more elaborated attempt to conceptualize regional disintegration. The title of their paper makes no doubt of their theoretical attempt – to put forward "Neo-Functionalism as a Theory of Disintegration". They purpose two sets of Neo-functionalism suppositions and hypothesis. The first, with eight hypothesis in total, they term it as *Explicit (and sometimes exclusive) Suppositions and Hypotheses*. The second, with six hypothesis, as *Implicit (and not unique) Suppositions and Hypotheses*. In total then there are fourteen hypothesis to be tested. However, as the authors themselves have noted some hypothesis can be analysed simultaneously. As a result, it appears to be some lack of clarity in Lefkofridi and Schmitter's article on what the hypothesis stand for. As the authors themselves acknowledge, because their article "is an exploration of many different expectations simultaneously, we could not go in detail into each and every hypothesis". That said, their expectations is that "despite its limitations, this study provides a pioneering analysis of (in-)fertile conditions for disintegration in Europe" (Lefkofridi and Schmitter 2016). Indeed, despite the limitations the following hypothesis of their study are worth exploring:

(i) Economic Integration and Interdependence of MSs ("Hegemony"). That is, if economic integration through a common market does not lead to an increase in trade between the member states there will be "spillback" pressures. In addition, this hypothesis also claims that there shouldn't be a single or a set of hegemonic member

states that constantly accrue the benefits of economic integration and interdependences; (ii) Benefits and Public Perceptions for the Economy and Society (this groups together several other hypothesis, such as “Security and Identity”, “Economic Convergence”, “Fairness” as well as “Exogenous Shocks”. In addition, this hypothesis is also related to the first). To put it simple, if the benefits of integration aren’t recognized and appreciated by those affected, and if they will not be evenly distributed and shared across member states, the risks of disintegration increase. Although most of these factors will be endogenous, that is, related to the process of integration itself, they can also come about from the outside (exogenous), as the challenges of the global financial crisis and the refugee crisis demonstrate; (iii) the role and conflicts of experts and “La Finalite” of integration. Neo-functionalism puts much faith in the role experts, those in the supranational institutions and in national parliaments, have in shaping policy and driving integration forward. Thus, disintegrative forces can come about if there is heterogeneity in preferences between member states and the regional institutions. This can also be the case if there’s conflict in the Finalite of integration; (iv) respect for EU decisions and incremental integration. That is, if the process of regional integration is not gradual and requires “a radically different mode of decision-making or conflict resolution” and if member states fail to implement EU decision, then this leads to disintegrative pressures; (v) conflict and politicization. Although regional integration inevitably leads to conflict among member states, underlying this hypothesis is that these conflict should be resolved “in house”, by reaching “a compromise involving some mixture of increased authority for regional institutions (‘build-up’) or an extension of their policy scope (‘spill-around’) or both (‘spillovers’) and not unilaterally or recurring to outside institutions; (vi) Democracy. That is, all member states should be democracies. They can be of different types, but all should have democratic regimes; And (vii) Consequences of Enlargement. This last hypothesis indicates that the regional institutions must be able to adapt to the potential challenges enlargement without “fundamentally alter the previously established processes or institutions of regional integration” (Lefkofridi and Schmitter 2016).

An important insight that can be taken from Lefkofridi and Schmitter paper is that it complements Niemann’s countervailing forces discussed earlier. As a result, based on Lefkofridi and Schmitter (2016) and Niemann (2006) **Neo-Functionalism as a theory of Disintegration** can be summarized as:

1. Economic Integration and Interdependence of MSs (and Hegemony)
2. Benefits and Public Perceptions for the Economy and Society (‘diversities’)
3. The Role and Conflicts of Experts (domestic constraints)
4. Respect for EU Decisions and Incremental Integration
5. Conflict and Politicization (domestic constraints and ‘sovereignty-consciousness’)
6. Consequences of Enlargement and integration fatigue
7. Democracy and strong domestic leaders (leadership)

## 4. The Brexit Vote

“Taking back control” was at the core of the UK’s EU referendum debate. More specifically, “taking back control of our laws, control of our borders, control of our money” (John Redwood MP cited in Reuters 2016). During the UK/EU negotiations that preceded the referendum, a policy that allowed the UK to activate an ‘emergency brake’ that could have prevented future EU migrants in the UK from receiving social security and in-work benefits was agreed between the EU and the UK (EU Commission 2016). But by voting to leave the EU, the emergency brake was rejected, thus leaving in limbo not only EU citizens living in Britain, but also UK citizens living in the EU. Indeed, as a report from the UK Cabinet Office (2016: 17) noted before the referendum, in case of brexit a withdrawal negotiation would follow that “would include the status and entitlements of the approximately 2 million UK citizens living working and travelling in the other 27 Member States of the EU” as well as the status and entitlements of the 3 million EU citizens living in Britain. As the same report notes, “they all currently enjoy a range of specific rights to live, to work and access to pensions, health care and public services that are only guaranteed because of EU law”. As such, the report concludes, “there would be no requirement under EU law for these rights to be maintained if the UK left the EU” (UK Cabinet Office 2016: 17). Thus, why did the British people rejected a policy, the emergency brake, that was designed not only to curb EU migration into the UK (thus ensuring “control of our borders”), but also designed to reduce public spending on welfare to EU citizens (thus ensuring “control of our money”)?

The answer lies in the fact that the activation of the emergency brake was dependent on the consent of the European Union (EU Commission 2016), thus the third criterion for taking back control (“control of our laws”)

was not fullfield. In other words, the emergency brake would not allow the UK to conduct its laws independently. Indeed, although the EU had confirmed that the UK was currently in a situation where such mechanism could be activated, the applicability of the emergency brake in the future would always be dependent on EU approval. As such, the co-chair of the Vote Leave campaign, the Member of Parliament for Birmingham Edgbaston Gisela Stuart, stated that if the UK was to stay in the European Union, the EU needed to alter its institutional setting, especially the way decisions are made, so that the EU can cope with such “organizational complexity” (Gisela Stuart 2016a). For Gisela Stuart this required not only exemption from ever closer union (that Cameron had secured) but also a “fundamental and far-reaching reform w[ith] institutional treaty structures which give non-euro countries a place as of right, not a special status” (Gisela Stuart 2016b). Thus, the struggle for sovereignty is at the heart of “taking back control of our laws” and indeed, of the reason why Britain voted to leave the European Union.

This could also be seen in the arguments put forward on NATO, EU Neighborhood policy, Turkey EU accession, the CSDP as well as the EU response to terrorism and the refugee crisis. To put it simply, Brexit was, for the Vote Leave campaign, the only possible way for the UK to restore its full sovereignty in foreign policy issue (Stuart 2016a, b). However, as the Economist (2016) noted, one may fail to see not only how Britain would be safer by leaving the EU, and with it its influence on shaping the Neighbourhood policy, the CSDP as well as EU anti-terrorist agencies such as Europol and Fronted. To put it differently, why was the EU-wide decision-making process, that the UK was part of, perceived to represent a loss of UK sovereignty? Indeed, by being one of the largest members of the EU, the UK was able to significantly influence the decision making process of the EU and with it its outcomes (Economist 2016; Leech 2016). If one assumes, as Vote Leave did, that the EU wanted to undermine and replace NATO with a common army (Stuart 2016b), nothing would prevent the EU in going ahead with their plans once the UK actually leaves the EU because the UK would lose its veto power (Leech 2016). Therefore, even though voting to leave the EU on the grounds that this would restore UK sovereignty in international decision-making were questionable, populism made it possible (Wolffe 2016).

The forces of populist Euroscepticism was also present in their argument about regaining UK sovereignty from the EU relates in trade policy. According to the Brexit camp, the UK would maintain full and free trade access to the EU Single Market without having to contribute to the UK budget and without having to accept freedom of movement. As UKIP’s only MP in the House of Commons, Douglas Carswell has put it, “we don’t need to be part of the single market to trade freely with it”. Further, “leaving the single market isn’t just the only way to take back control of our borders. It’s the only way to take back control of our laws”. As such, “remaining subject to single-market regulations means failing to restore Parliamentary sovereignty” (Carswell 2016). But how realistic is it that the UK would continue to trade with the EU on the same terms as before once it leaves the union? How sovereign (and democratic) will the UK be if it in order to maintain full access to the European Single Market it has to accept either freedom of movement and/or contribute to the EU budget, as well as accepting all rules and regulations from Brussels without the presence of the UK in the EU’s decision-making process?

As Erna Solberg, the Prime Minister of Norway (a potential model to the UK), recently put “we are integrating the laws they are making for the single market...but basically we have left part of our democracy to Europe” (cited in BBC 2016a). In other words, although Norway is not a member of the EU it still has to accept regulations made in the EU (as well as free movement of people) – but it does so without participating in the EU’s decision-making process. The argument put forward by those who wanted the UK to leave the EU was that the UK has a trade deficit with the EU (and in particular, against Germany), thus the EU would capitulate and accept British demands. However, as Markus Kerber, director-general of the BDI (Germany’s leading business body), has noted, although the UK represents 7.5 per cent of German exports “the vast majority goes to other European countries. So, as much as we would like to uphold our very good relations with British customers, it is extremely important for us not to alienate other European markets” (cited in the Financial Times 2016). As such, when Liam Fox, now UK International Trade Secretary, states that because “the EU has a massive surplus in goods with the UK. Who does it harm more if we end up in a new tariff environment?” (Fox 2016) and when David Davis’ (2016), now Brexit Secretary, states that Brexit means “we will decide on our borders, our laws, and taxpayers’ money ”, and when one also adds the aforementioned comments of Gisela Stuart and Douglas Carswell, one can conclude that the EU referendum was won on the assumption that Britain would have “single market a la carte”, something that the European Commission president, Jean-Claude Juncker, as well as other European leaders, have refused to accept.

Clearly, the UK, as any other country, will have access to the EU Single Market as long as it complies with EU regulations (something that the UK will no longer have a say in shaping it), but the question is *on the terms* of the access. (Table 1 summarizes the different ways in which “taking back control” and free trade access to the EU Single Market clash with each other). For instance, does it include passporting rights for the financial services? The EEA/Norwegian model allows for it, but the Swiss model does not. Does it include freedom of movement or contributions to the EU budget? The Turkish model (only customs union) does not contribute to the EU budget nor it accepts freedom of movement, but its free trade access to the Single Market is more limited than the Norwegian and Swiss model, who have to accept free movement and contribute to the EU budget (Sapir 2016). In sum, the argument put forward by the leave campaign was that the UK could simultaneously take back control of its own laws, borders, and money while maintaining the same free trade access and passporting rights that full membership of the EU Single Market offers to its members. In other words, the forces of populist Euroscepticism have won the referendum on the basis that they could “square that circle” (Dixon 2016).

**Table 1. “Take back control” and Free Access to the Single Market**

	<b>European Economic Area (EEA)</b> Ex: Norway	<b>FTA’s/Bilateral Agreements</b> Ex: Switzerland	<b>Customs Unions</b> Ex: Turkey	<b>WTO Rules</b> Ex: WTO members with no FTA with EU
<b>Free Access to EU SM</b>	- Yes. Free trade access to EU SM.  - EEA banks have passporting rights	Yes, but not in all sectors. Free trade in goods the norm but not financial services  - Swiss banks have no passporting rights	-Yes. Limited/sectoral access to the EU SM with common external tariff for the products covered  - No passporting rights	- No. Trade access to the EU SM subject to WTO tariffs,  - No passporting rights
<b>Control over laws (EU Regulations)</b>	- No. Very limited or no say in EU regulations	- No. Very limited or no say in EU regulations	- No. No say in EU regulations or in setting trade policy. (And Turkey needs to align with the EU acquis)	- Yes. UK can set up its own regulatory framework .But it has <i>no</i> say in EU regulations.
<b>Control over borders</b>	- No. Accepting freedom of movement is a condition	- No. Accepting freedom of movement is a condition	- Yes. Control over freedom of movement	- Yes. Control over freedom of movement
<b>Control over money (EU budget)</b>	- No. Financial contributions to the EU budget necessary	- No. Financial contributions to the EU budget necessary	- Yes. There’s no financial contributions to the EU budget	- Yes. There’s no financial contributions to the EU budget
	<b>Soft Brexit</b> More free access to the EU SM but less (or very limited) sovereignty		<b>Hard Brexit</b> More sovereignty but less (or very limited) free access to the EU SM	

## 5. Discussion



This paper presented a critical review of the New Intergovernmentalism and Neo-Functionalism in relation to the topic of European (dis)integration in light of the challenges posed by the UK in leaving the European Union. However, when one turns to explanatory framework within the theories of European integration one finds that the topic of disintegration is clearly avoided by theories of European integration.

In relation to New Intergovernmentalism. However, despite acknowledging that the European Union is in a 'state of disequilibrium', the authors of the New Intergovernmentalism, unfortunately, do not engage head-on with disintegration. As a result, this paper put forward the proposition that the New Intergovernmentalism is best seen as the intergovernmentalist theory of European disintegration. Although more in-depth research is needed, the Brexit vote seems to have confirmed the potential of the NI for explaining how the European may disintegrate. Indeed, H1 *Deliberation and consensus have become the guiding norms of day-to-day decision-making at all levels* seems to explain that despite EU-UK reached consensus and agreement on the emergency brake, in the end this was rejected by the British people. In addition, the fact that discussions on the terms of access to the Single Market became intertwined with discussions on immigration and that the economic argument to stay in the EU did not win the referendum also suggests that problems in domestic preference formation (H4) may lead to European disintegration processes. Moreover, the intersection between "taking back control" of borders, laws and money with free trade access into the Single Market confirms that indeed *differences between high and low politics have become blurred* (H5) and that the EU is in a state of disequilibrium (H6). This is further confirmed by the fact that prior to the referendum, the UK did secure exemption from ever closer union, what confirms H2: *Supranational institutions are not hard-wired to seek ever-closer union*. Paradoxically, the UK did vote to leave – and this challenges the "paradox of integration" that is at the heart of NI. In other words, the explanatory power of the New Intergovernmentalism lies in explaining (dis)integration.

As for Neo-Functionalism, some of their hypothesis can be confirmed. Firstly, the UK's economic interdependence with other EU member states were not taken into account. This can be partly explained by the fact that the entire process of regional integration was not perceived by the UK as "fair". That is, the British people perceived EU membership as synonym of contributions to the UK budget. Further, EU membership was seen as the UK giving away control over their borders laws and money. Taken together, they confirm the Neo-Functionalist hypothesis that if the *Benefits and Public Perceptions for the Economy and Society* are negative this leads to disintegrative processes. In addition, "taking back control" also confirms the 'sovereignty-consciousness' hypothesis of Neo-Functionalism. However, the other hypothesis proposed by Neo-Functionalism need further research. For instance, it's not clear whether the Brexit vote was due to strong domestic leaders or the lack of leadership (Oliver 2016). Also, it would be interesting to explore whether *Respect for EU Decisions and Incremental Integration* is a clear indicator that a country may be heading towards exiting the EU. As Schmitter and Lefkofridi (2015) demonstrated, the UK not only implemented EU law much quicker than other EU states – it also complied with it.

Finally, a last point for further research that may help conceptualizing European disintegration is to look into other theories of European integration such as the literature on Differentiated integration or Multi Level Governance or even into the fusion between the Neofunctionalist and Intergovernmentalist schools<sup>i</sup> as well as academic literature that are not affiliated to any of the theories of European integration but are attempting to theorize disintegration, such as Webber (2012), Vollaard (2014), and Scheller and Eppler (2014), Oliver (2015) who conclude that there other dimensions should be taken into account, such sociological, economic, and hegemonic theories<sup>ii</sup>.

### **Biographical note:**

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## End Notes

<sup>i</sup> In an interesting paper, Jones et al (2015), call for the fusion between the Neofunctionalist and Intergovernmentalist schools in order to explain their 'Failing Forward' concept. Yet, like the New Intergovernmentalism, rather than conceptualizing their concept as disintegrative, Jones et al (2015) place it within a conceptual framework that explains integration.

<sup>ii</sup> Webber (2012), Vollaard (2014), and Scheller and Eppler (2014), Oliver (2015) conclude that there other dimensions should be taken into account, such sociological, economic, and hegemonic theories. To start with sociology, Scheller and Eppler (2014) argue that it can explain European disintegration due to the diverse composition of the European Union. Importantly, the socio-cultural differences can lead to disintegrative processes in particular due to the rise of politicization that economic inequalities and economic divergence are creating between EU member states (Scheller and Eppler 2014: 7-11). As they put it: 'the politicization of European policy since the beginning of the financial crisis is becoming increasingly polarised along a north/south divide: For example, citizens in Greece, France and Germany are discussing the same issues but with different opinions' (Scheller and Eppler 2014: 7). As such, Scheller and Eppler link together sociological factors with economic theories, in particular Optimum Currency Area theory (Scheller and Eppler 2014: 10), a point also made by Vollaard (2014: 4) in their attempt to conceptualize the way the European Union may disintegrate. But as both authors stress, although sociological and economic factors are important variables, on their own they cannot account for the process of disintegration because they have limited capacity in explaining the complexities of European integration. Interestingly, rather than attempting to combine these factors with a theory of European integration, these authors look outside the field of European studies to embody their conceptual framework with (disintegrative) explanatory power. Indeed, Vollaard argues that a better starting point to develop a theory of disintegration is by bringing in the theory of polity formation developed by Bartolini, due to the fact that his theory is not state-centric (Vollaard 2014: 6-8). Thus, although only implicitly, Vollaard incorporates a sociological element into his explanation. Curiously, where Scheller and Eppler (2014: 19), Webber (2012: 19) and Oliver (2015: 426) see sociological elements as potential activators of disintegrative processes, mainly due rise in populist parties as consequence of internal discontent with the European Union, Vollaard argues that 'Eurosceptic dissatisfaction would not necessarily have to be a determining factor for European disintegration' (Vollaard 2014: 14).

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