

A DISCUSSION ON THE THEORIES OF EUROPEAN INTEGRATION: DOES LIBERAL INTERGOVERNMENTALISM OFFER A SATISFACTORY ANSWER?

AVRUPA ENTEGRASYON TEORİLERİ ÜZERİNE BİR TARTIŞMA: LİBERAL HÜKÜMETLERARASICILIK NE ÖLÇÜDE AÇIKLAYICI?

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ABSTRACT

Construction of European Union has puzzled the students of International Relations since its launch. Explaining European integration process has been a key research agenda for many academics. It brought approaches from different levels against each other. Some focus on the role of states as the main actors driving the process while others focused on the autonomous impacts of European Institutions built by the states as a result of “unintended consequences” or “path dependence”. This paper aims to focus on one of such approaches namely “Liberal Intergovernmentalism”. The paper aims to demonstrate that even though it provides a rigorous approach and seems to explain a great deal of the process hence arguably deserves its dominant position among theories on European integration, it is far from explaining the whole picture as it is impossible to explain a multi-level process via only state level factors. Hence the paper will provide a usefull discussion on European integration theories to encourage students of Europeanisation literature to grasp multi-level factors constructing the ever evolving European Union.

Key Words: EU, Theories on European Integration, Liberal Intergovernmentalism.

Jel Codes: F69.

ÖZET

Avrupa Birliği kuruluşundan beri Ululararası İlişkiler alanında çalışan birçok akademisyen için önemli bir araştırma sorusu oluşturmuştur. Bu nedenle Avrupa Birliğinin oluşumu ve evrilmesini açıklama amacı akademisyenler için önemli bir araştırma gündemi sunmuştur ve farklı seviyeden yaklaşımları karşı karşıya getirmiştir. Kimileri devletlerin süreçteki öncü rolüne vurgu yaparken kimileri de devletler tarafından kurulmuş olmalarına rağmen birlik kurumlarının “istenmeyen sonuçlar” ya da “dönülemeyen yollar” nedeniyle bağımsız rol oynamalarına odaklanır. Bu makale bu yaklaşımlardan “Liberal Intergovenrmentalizm”e (Liberal Hükümetlerarasıcılık) odaklanarak her ne kadar son derece tutarlı ve açıklayıcı gücü yüksek bir yaklaşım olsa ve bu nedenle mevcut baskın konumunu hakettiği söylenebilirse de resmin tamamını açıklamaktan uzak görüldüğünü iddia edecektir. Böylece makale Avrupa entegrasyon teorileri üzerine yararlı bir tartışma sunarak farklı faktörlerin gözönüne alınmasını cesaretlendirmeye çalışacaktır.

Anahtar Kelimeler: AB, Avrupa Entegrasyon Teorileri, Liberal Intergovernmentalism

Jel Kodları: F69.

1. INTRODUCTION

Since its emergence as a theory Liberal Intergovernmentalism has become one of the most prominent approaches (Cini,2007:109). Even its critics welcomed it as an important

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contribution to the literature (e.g. Wincott, 1995:598). However, it has also been widely criticised from many different aspects and consequently it has been in the focus of one of the main recent discussions in the area. Therefore, this paper will evaluate whether it offers a satisfactory explanation for the European integration process.

The main argument of the paper will be that although Liberal Intergovernmentalism is a rather rigorous theory and its arguments seem convincing in explaining some parts of the integration process, it cannot provide a fully satisfactory explanation of the whole process. This will be suggested as a result of the fact that European Union posits a multilevel complex system and therefore it is impossible for any single theory to explain every aspect of it. Consequently, Liberal Intergovernmentalist Theory should be seen as one of many parts of European integration puzzle. Thus, it should not be expected to provide a full picture of the process.

In the main body of the paper, the three levels of Liberal Intergovernmentalist approach will be outlined namely: formation of national preferences, intergovernmental bargaining process and delegation of power to European institutions. For this reason, the next part of the paper will be divided into three sections. In each section, related arguments of the theory will be explained briefly and then by using Moravcsik's arguments and their criticisms it will be discussed whether it offers a satisfactory account for the explanation of the European integration process. In the last part, as it has been suggested above that it is very difficult to explain the process by using one theory, it will be questioned to what extent it offers an answer to the integration problem rather than if it offers a convincing theory for the integration.

2. THREE LEVELS OF LIBERAL INTERGOVERNMENTALIST THEORY AND THEIR CRITICISMS

2.1. Creation of State Preferences

Moravcsik takes Liberal theories as a basis for the first level of his theory. This level of Liberal Intergovernmentalist Theory is what he calls `demand` side. Moravcsik uses a liberal approach that focuses on economic interests and claims that government preferences are shaped domestically as a result of an aggregation of competing demands of internal groups. In a Principal-Agent relationship Government agents especially in democratic countries attempt to stay in power by fulfilling demands of societal principals (Moravcsik, 1993:483). In addition to this, Liberal Intergovernmentalist theory assumes that states act rationally. Thus, foreign policies of governments are seen as a reflection of domestic economic interests (Moravcsik, 1993:480-481). Yeti, this does not mean that all foreign policies are not direct reflection of economic interests as some societal groups affect the government policies indirectly. Moreover, interests of domestic societal groups are ambiguous, the governments may have a greater degree of freedom. Hence, constraints on national governments fluctuate depending on how strong and unified societal pressures are (Moravcsik, 1993:484). After noting such restrictions, he suggests that EU integration can be explained from such a perspective. He suggests that domestic actors basically benefit from market liberalization which leads countries to cooperate to reduce trade barriers. The second reason for cooperation according to Moravcsik is policy coordination as different domestic policies undermine effectiveness for all domestic markets (Moravcsik,1993:486). Hence, developments such as the Monetary Union can be explained with demands of domestic societal actors (Moravcsik, 1993:493).

Although it seems convincing, there are some criticisms to this `demand` side of the theory. One criticism is that policy choices of states may not be the result of economic demands of groups within a country but a cause of it. For example, Moravcsik suggests monetary and agricultural policy choices of governments as examples of such domestic economic pressures affecting intergovernmental bargaining (Moravcsik,1993:501-502). However, Forster disagrees with this position by claiming, in the light of Britain example, that Britain's policy preferences were shaped not by domestic groups but by government itself. Moreover, he also rejects that formation of preferences preceded government policies of Britain during negotiations of monetary integration; thus, he asserts that actually the government imposed its choice on to domestic groups (Forster, 1998:358).

The second criticism is that economic demands of domestic groups are not enough in explaining foreign policies of states. This criticism derives from Moravcsik's argument that when there is an uncertainty about which domestic interest group will win or lose as a result of a new policy, governments play a more autonomous role (Moravcsik, 1993:494). Thus, he departs from his earlier liberal arguments. As a result of this, as Wincott claims, it becomes unclear whether policies of states are a reflection of domestic interests or just affected by them. More importantly, the question is, as Wincott asks "...when domestic politics do not create the preferences of states (or national political actors), who or what does?" (Wincott,1995:601). Moravcsik gives liberal ideology as an answer to this question (Moravcsik,1993:494). Yet again, it can be claimed that this answer does not explain what causes them to choose that ideology. Moreover, it can be seen as a contradiction with his earlier claims.

The third criticism is that preference formation is not as simple as Moravcsik argues. Hooghe and Marks claim that EU has a multinational governance system in which many actors play a role other than national governments such as subnational (regional) governments through a complex policy networks. As a result this system reduces the role of national states (Moravcsik,1996:91-92). Similarly, Risse-Kappen challenges Liberal Intergovernmentalist assumption of national governments have a higher position over domestic actors and argues that in a complex network, national governments are only one player among many others (Risse-Kappen,1996:57).

After considering Moravcsik's arguments regarding formation of state preferences, it can be argued that states consider domestic economic interests while they form their foreign policies. Moreover, it could even be claimed that economic preferences of internal groups are the most important factor affecting governments. However, as his critiques show, economic interests are not the only factors in foreign policy formation and it is a more complex process waiting for further explanation. In this sense, it can be concluded that Liberal Intergovernmentalism partly fails in its first task. Nevertheless, it would be fair to conclude that it suggests a useful explanation for us to understand preference formation of the states by suggesting effect of domestic politics on governments. Thus, Liberal Intergovernmentalism provides an important piece of the European integration puzzle, although it needs other pieces to reveal the whole picture.

2.2 Intergovernmental Bargaining

In the Second level of Liberal Intergovernmentalist Theory states which are assumed to be rational, having aggregated domestic preferences, provide supply side of the process as policy choices into intergovernmental bargaining (Moravcsik, 1993:480-81). Although as he suggests that Liberal Intergovernmentalism shares the idea of states acting rationally according to their interests with most general theories of international relations (Moravcsik, 1993:481) , his theory differs from them by asserting that bargaining powers of states

derive not from their economic or political powers but from intensity of their economic interests (Pollack, 2001:225). In these bargains, states first of all decide on their long term goals and then they choose how to achieve those aims. Here an important question arises as Rosamond asks: “why do countries make their choices towards integration, which will naturally limit their autonomy?” (Rosamond, 2000:151).

The answer of Liberal Intergovernmentalism is ironically to gain more autonomy. Moravcsik suggests that when interdependence among countries causes negative externalities, there is a higher possibility for governments to cooperate to mitigate them. However, their cooperative policies will not be to the advantages of every domestic group, hence governments can only overcome these groups which will give governments more autonomy against domestic politics (Moravcsik, 1993:484-487). The second reason for European countries to cooperate under European Community is that it reduces the cost of bargaining by providing an information rich environment (Moravcsik, 1993:498).

However, there are some criticisms to these arguments. First of all, Wincott rejects that countries act in an information rich environment; thus, he suggests that rationality assumption of Liberal Intergovernmentalism has no valid grounds (Wincott, 1995:607). The second criticism is that governments are under domestic and external pressures which limit their autonomy. According to Wallace, Moravcsik ignores the role of transnational society in affecting preferences of national governments (Wallace, 1999:157). Thus, she rejects the idea of a pure intergovernmental bargaining process shaping European integration. Finally, Lewis finds interstate bargaining too simple. He suggests that besides hard intergovernmental bargaining, some decisions have been taken considering not individual state interests, but common interests of the union. Thus, a mere intergovernmental bargaining view cannot explain the process as a whole (Lewis, 1998:499).

Although it is hard to say whether these criticisms invalidate Liberal Intergovernmentalist arguments, it can be claimed that it is open to discussion because of its emphasis on states and its argument which claims interstate bargaining is the main force behind the European integration. However, it can be suggested that it gives us useful insights for understanding the mechanisms of intergovernmental bargains. Thus, Moravcsik provides another important part of the puzzle with the second level of Liberal Intergovernmentalist Theory.

2.3. Principal-Agency Relationship

As it has been seen above, Liberal Intergovernmentalist Theory's primary focus is on intergovernmental bargains. However, its state centred focus has had many criticisms. One common point of these criticisms is their emphasis on the autonomous role of Supranational Institutions in European Union governance and European integration process as Historical Institutionalism suggests (Bulmer, 1993). These Critics reject Moravcsik's idea that Supranational Institutions have little or no autonomous role in European governance (e.g. Caporaso,1998:11). In this line of argument, Sandholtz and Sweet, while accepting the importance of intergovernmental bargaining, they claim that once governments pool their powers to form an institution, these new bodies will have autonomous effect on integration process. Thus, once such a development occurs it will result in a gradual loss of governments' control over policy outcomes and more control of supranational institutions (Sandholtz and Sweet, 1997:298-301). Similarly Garrett and Tsebelis blame Liberal Intergovernmentalism for underestimating the agenda setting power of EU institutions (Garrett and Tsebelis, 1996:270). Additionally, Wincott shows how important roles EU institutions such as European Court of Justice (ECJ) can play (Wincott, 1995:603-606). In

this way, Liberal Intergovernmentalism has been challenged by the existence and the effect of supranational institutions.

However, Moravcsik does not see a conflict between supranational institutions and Intergovernmentalism. According to him, EU institutions do not reduce the autonomy of national governments, but instead they increase it. Firstly, these institutions constitute a forum for discussion which increases the efficiency of intergovernmental bargaining. Secondly, they enhance autonomies of member states over domestic groups by legitimising their common policies. For these reasons they delegate their powers to supranational institutions and these agencies act under long term goals unanimously drawn by governments (Moravcsik, 1993:507-511). Furthermore, governments exert control over them by applying some constraining mechanisms. Thus, these supranational institutions are seen as responsive agencies of principal member states (Moravcsik, 1993:511-516).

Yet again, Wincott brings a different perspective to the discussion by asking “...why the political institutions of states can have an impact, but those of the European Community cannot?” (Wincott, 1995:602). Pollack addresses this question. While admitting Intergovernmentalist position that agencies act within the boundaries drawn by principals, he claims that Institutions can use differences among national governments for their advantage and play an autonomous role by using their agenda setting powers (Pollack, 1997:p.101;129). In parallel to this, Lewis provides a good example by showing how representatives of national governments in EU institutions can use their room for manoeuvre to employ their autonomy in decision making process (Lewis, 1998:490-491). Similarly, Wallace argues that even if the fact that this principal-agency relationship cannot be rejected, it should be seen that sometimes these agencies play more important roles (Wallace, 1999:159). Moravcsik’s response to these criticisms shows how elastic Liberal Intergovernmentalism is. He answers by accepting that institutions can play a role under certain circumstances and subjects, however these are secondary roles, and states remain as the main actors (1999:172-173).

Lastly, beyond all these arguments, Pierson brings a criticism from a Historical Institutional perspective. While accepting states as the main actors in European integration, he argues that governments are not fully in control (Pierson, 1996:125-126;158-159). Governments cannot entirely see the long term results of their short term actions, thus their actions have some unintended results. Moreover, institutions and institutional structure of the EU constrains government actions. In addition to these, more importantly, once member states choose one alternative among others for further integration, this choice creates a high costs for countries to go back to other choices. As a result in practice this creates a ‘path dependency’ for members of the union (Pierson, 1996:144-6). Hence, according to this argument, authorities of states are restricted by a number of factors. However, as Moravcsik argues this does not contradict with Liberal Intergovernmentalism as it does not mean that states are not primary actors anymore (Moravcsik, 1995:612-3). Additionally, he sees unintended consequences as natural since they are in fact the aim of integration (Moravcsik, 1999:175) Moreover, he insists that EU has developed through will of states and development through unintended consequences have not been significant (Moravcsik, 1998:491).

Considering all the arguments, it can be concluded that the third level of Liberal Intergovernmentalist Theory is probably the most controversial one. It seems like both Moravcsik and his critiques have different point of the view of the same picture. However, one can conclude that the third level of the theory is not as convincing as the others. Nevertheless, it completes the theory and makes it so rigorous that it is hard to be proven

wrong. Above all, although it is quite controversial, it suggests another useful part of the European Integration puzzle.

3. TO WHAT EXTENT IS LI EXPLANATORY FOR THE EUROPEAN INTEGRATION?

As it has been seen above, Moravcsik put forward a rather important effort for explaining European integration. An extensive application of his theory can be seen in his 1998 book. He applies his theory on to five important cases in the Union's history- Treaties of Rome, Consolidation of Common Market, Monetary Integration, The Single European Act and The Treaty on European Union- and reaches the conclusion that national preferences are formed by domestic economic motivations, then these policies are converged through a series of bargains among states and finally states delegate their power to European institutions to achieve their common goals (Moravcsik, 1993:473-489).

His explanations were found quite convincing even by his critics (Scharpf, 1999:165) (However, he was criticised by being selective in the cases he chose to support his arguments (Wallace, 1999:156; Caporaso, 1999:162-3; Scharpf, 1999:165). Moreover it was rightly suggested that he ignores important facts such as the effect of ideology (Wallace, 1999:159). Despite these criticisms, his arguments are found rather explanatory for history making decisions in European integration. However, it is hard to say the same for day to day decisions as many academics have claimed (e.g. Peterson, 2001:313; Hix, 2005:18).

Considering the discussions on Moravcsik's arguments it is hard to suggest how much Liberal Intergovernmentalism explains the European Integration. Yet, it can be suggested here that the theory provides only a part of the explanation. The reasons for this can be suggested as its focus on economic motivations and interstate bargains excludes or underestimates some important aspects of the process, such as the role of institutions or the effect of ideology. These are important weaknesses since it is impossible for a theory which sees domestic economic interests as the driving force behind integration to account for different aspects of the process. For example, how can such a theory explain a development towards a Common Foreign and Security Policy or at least a demand for it by pressures from domestic economic groups? However, it should be noted that Moravcsik is well aware of the weaknesses of his theory and admits them. Afterwards, he claims that these are deliberate choices as he aims to provide only one most important part of the puzzle, since it is impossible to explain such a unique and complex integration process by one theory (Moravcsik, 1999:174). Thus, he gives an example of Puchala's analogy about the blind men exploring an elephant and then claiming they provide the most accurate definition of the beast (Puchala,1971:267-268). Even though it is hard to decide whether it gives the most important part of the answer, it is obvious that it does not provide all parts of it. Therefore, it can be concluded that it is better to see Liberal Intergovernmentalism as one part of the puzzle and it should not be expected to get the whole picture.

4. CONCLUSION

In this paper, the question 'does Liberal Intergovernmentalism offer a satisfactory explanation of the European integration process?' was addressed. In order to answer this question, the main body of the paper was divided into three parts. In each part, the focus was on one of the three level of Liberal Intergovernmentalist theory namely; formation of

national preferences, supply of these preferences by national governments in interstate bargains and finally delegation of power to the EU institutions by member governments.

In the first section, Liberal Intergovernmentalist explanation for formation of national preferences was discussed. Then, it was suggested that the theory's explanation that domestic economic interests of social groups shaped governments' foreign policies was found quite convincing and useful in understanding why governments chose integration. However, it was asserted that it cannot provide a full account of national policy choices as it ignored the effect of some factors such as ideology or external pressures on governments. Nevertheless, it was found convincing in explaining main economic integration.

In the second part, next level of the theory was addressed namely intergovernmental bargaining process. Moravcsik's claim was that throughout the history of European integration, all the significant progresses was the result of bargains among member states, especially the largest ones. Secondly, it was stated that the approach deliberately move away from realist thinking and suggested that relative powers of the countries derived from density of their interests rather than their sizes. In the wake of the discussion, it was suggested that although Liberal Intergovernmentalist claims were controversial as a result of its too much focus on the power of states and ignorance towards other actors, it had useful insights in terms of understanding the mechanisms of intergovernmental bargaining process.

In the third section, Moravcsik's arguments claiming that governments are the principal actors and institutions of the union are just responsive agents which act according to the general policies decided by governments and within the boundaries drawn by member states or under their control. Thus, it's claim was that governments used these institutions for their aim and they did not have any autonomy. However, in the light of criticisms showing how important and autonomous role supranational institutions can play, it was suggested that although governments should be accepted as the primary actors, the role of the institutions should not be ignored. Furthermore, it was suggested that governments were not fully in control and membership mattered. As a result it was suggested that the third level was the most controversial one. Nevertheless, it was suggested that the third level completed the theory as a whole and gave another piece of the jigsaw.

Finally, the theory was discussed as a whole and seen that it was a good example of a rigorous theory. However, it was suggested that it was far from providing a satisfactory explanation of the European Integration process. Yet, it should be noted that no single theory can explain a multilevel complex system like European Union in its all aspects. Therefore, Liberal Intergovernmentalism should be seen as one of many theories trying to provide parts of an extraordinary puzzle, European integration. Lastly, it can be concluded that although it has attracted much criticism and it has its weaknesses, Liberal Intergovernmentalism remains as one of the most important and explanatory theories of the integration process.

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