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The rationale of Brexit and the theories of European integration

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Abstract

Research background: Recent developments have raised doubts on future sustainability of the EU as successful political and economic organization. Many phenomena — from euro and sovereign debt crisis to the emergence of right-wing, populist and anti-liberal movements — have brought into question the actual foundations of European integration, be it economic cooperation or a community of values. This problem became even more topical after the Brexit referendum. For this very reason a new strand of research on European disintegration has lately began to appear. It was supposed to fill in a serious gap in the body of literature, which had so far optimistically focused on integration processes.

Purpose of the article: The aim of our work is to reflect on Brexit — which is an exemplification of disintegration tendencies — through the lenses of theories of European integration in order to find out how well the two match each other. We also try to identify the dynamics Brexit may provoke in theoretical research and in the future of European integration.

Methods: We take three most influential theories of integration, i.e. neofunctionalism, intergovernmentalism and post-functionalism, and attempt to analyze Brexit by means of their main assumptions and internal logic.

Findings & Value added: We believe that only post-functionalism is able to satisfactorily explain Brexit by turning to mass politics and questions of identity instead of economic rationality.
We also suggest that analysis of such issues will become more important in future research on European integration.

Introduction

The literature devoted to explaining the process of European integration and its future is vast. The impulse for its emergence and later blossoming came from the need to understand the path breaking phenomenon of close cooperation between the countries of sometimes great diversity and difficult past relations. The main issue was how it became possible for this integration to last for such a long time and come that far. Recently, however, this trend has come to a halt. Numerous internal crises within the EU combined with Brexit dynamics provoked a rapid rise in studies on disintegration, which can hardly be treated in terms of simple reversed integration. Many phenomena — from euro and sovereign debt crisis to the emergence of right-wing, populist and anti-liberal movements — have brought into question the actual foundations of European integration, be it economic cooperation or a community of values. There is, however, big asymmetry between the processes of integration and disintegration. Although integration processes took huge efforts and many years to take place, disintegration may happen in much shorter period of time.

In this paper we are trying to reflect on Brexit (at least as of June 2019) with help of the recent body of (dis)integration literature. In the past, scholars claimed that the EU is a political system sui generis and as such can hardly serve as a basis for a general theory of integration (see Phelan, 2012). Inspired by this argument, we claim that Brexit is such an unprecedented, indeterminate and unpredictable event that (at least so far) it can hardly serve as an exemplification of a rationally motivated act of quitting the EU. It fits the post-functionalist approach to the European integration, but seems capable of bringing new dynamics into this process.

The paper is organized as follows. In the following section, we provide details about the research methodology. In the third section, we briefly characterize three influential theories of European integration, i.e. neofunctionalism, intergovernmentalism and postfunctionalism. In the fourth section, we discuss the recent advances in the disintegration discourse. In the fifth section, we attempt to juxtapose Brexit with the disintegration debate trying to discuss how well these two match each other. The paper ends with conclusions.
Research methodology

This paper combines both theoretical and empirical perspective on the profound political event of Brexit. We have selected three influential theories of integration, namely neofunctionalism, intergovernmentalism and post-functionalism, in order to employ them as distinct perspectives on explaining the rationale of Brexit. However, we call into question the assumption that Brexit was the outcome of rational political and economic calculus. It is likely that it is such an unprecedented event that it falls outside any theoretical classification. In order to verify our assumptions, we refer to publicly available data and observations found in scientific literature, reports, magazines and media news.

Theories of European integration

Within the vast literature theorizing on the European integration, three approaches seem to have earned a particular significance. These are the theories of neo-functionalism, intergovernmentalism and postfunctionalism, though some of them exist in more detailed configurations (like realist or liberal version of the middle one) (see Hooghe & Marks, 2019; Schimmelfennig, 2017; Webber, 2014). It is useful to briefly introduce them before proceeding with further analysis.

According to the neo-functionalist theory, the European integration proceeds due to positive spillovers it creates (Haas, 1958). This can be understood in two dimensions. First, progress in integration in one area stimulates deeper integration in other areas — think of the single market and then common currency, banking union etc. Second, some issues are tackled more effectively by a coalition of states instead of introducing regulations by each state separately. Such economies of scale mean more efficacy in dealing with common challenges and bring down the costs of designing and introducing the necessary legislation. Once the integration process has entered a specific path, the costs of leaving it are high and so it leads to a creation of a supranational entity with a political arena of its own. Also, various pressure groups find it easier to deal with one central political actor, which in turn gains more legitimacy and recognition.

Even though some crises or retardation may appear on the path to even deeper integration, they are in fact important factors in the whole process when adjustments can be made or new agenda could be formulated. Because of the deepened connection to the supranational regulations, increasing reliance on the new central political body and a participation in the new
political structures, the process of integration earns dynamics of its own which is hardly reversible without enormous economic costs and political chaos. In sum, neo-functionalism is deterministic view, which assumes that the spillovers and search for political efficiency will eventually lead to creation of new political entities.

In contrast to the neo-functionalism, intergovernmentalism concentrates on the leading role of nation states in the process of integration (see Milward, 1992; Moravcsik, 1998). The integration is a product of cooperation between governments, which perceived it as beneficial for national interests. Thus the progress in integration is shaped by states’ goals and benefits being often a response to changing exogenous conditions, economic advantages and current constellations of power and preferences. Supranationalism is not going to make nation states obsolete, as it is formed and steered by negotiations between governments. Delegation of selected sovereignty dimension is not an act of submission, yet rather a rational calculation that made nation states even stronger. As a matter of fact, even today the political bodies of the EU cannot function without the consent of national governments and their officials. According to this theory nation states are there to stay and the future of the EU lies in their hands.

More recently, the shortcomings of the above approaches led to the theory of postfunctionalism (Hooghe & Marks, 2008). The new theory claimed that neo-functionalism and intergovernmentalism has become increasingly less useful in explaining the progress of European integration due to the politicization of the previously rather technocratic process. Postfunctionalism puts more emphasis on the influence of national politics based on identities and territorial communities, which interests have entered the scene. The debate about the role and shape of the European Union has moved to national politics and therefore to masses, public opinions, internal political struggles and home sentiments. In domestic politics, voters are more concerned about losses (or gains) in welfare, identity, competitiveness or migrations, which is exploited by national parties. Thus the main actors of the European drama are no longer only governments, officials, bureaucrats and big business, but also citizens and political parties. As a result, the ‘permissive consensus’ enjoyed previously by political elites has turned into ‘constraining dissensus’ which produces heavy political restraints on further integration.

However, the theoretical outcomes of postfunctionalism are open — the theory does not imply implicitly integration or disintegration, various scenarios are viable. It is rather the supranational and national reaction to crises and the dynamics it produces that is decisive here. Further integration will be an effect of political conflicts and struggles, not technocratic con-
sensus. Neo-functionalism and intergovernmentalism view the European integration as a cooperative process led by interest groups and governments and therefore disintegration is hardly possible unless we envision a political or economic breakdown leading to a disruption of cooperation between core European countries (Webber, 2014). In contrast, postfunctionalism underlines conflict emanating from the incompatible national preferences and systems of values. It embraces European disintegration as a possible scenario, especially that it seems to empower eurosceptic movements and parties, while mainstream centre left and centre right parties shy away from controversial issues like more distribution and national identity.

The disintegration debate

For many years, the European integration seemed irreversible and the theories of integration tended to confirm this confidence. However, recent developments within the EU and in its surroundings triggered a scholarly debate on the possibility of disintegration. Neill Nugent (2017, ch. 1) points to a number of crises, which have developed in the last two decades and contributed to this situation: relatively poor economic performance of the EU countries, banking crisis, sovereign debt and euro crisis (with the prominent role of the Greek crisis), the migration crisis, EU leadership deficit, increasing contradictions and differentiation within the EU, Brexit, questioning of the European identity, rising euroscepticism, weakened EU legitimacy among European citizens and a declining position of the EU on the global scene. Each of them is not remarkable per se, but facing them all at once is a real political challenge. The EU dealt with many crises in the past, but the fact of accumulating so many urgent issues in one historical moment seems exceptional.

Grosse (2016) suggests that the troubles the EU is facing made the idea of supranationalism bleak and contributed to the rise in popularity of intergovernmentalism. It seems easy to notice rising power and influence of Germany in addressing EU-wide challenges with a weakening role of other countries, like France or Italy. This way, the EU is on a path to a confederation of states with asymmetric political power, questioning the foundations on which the EU has been built. The appeal of deepening and widening of the EU integration seems to have lost its charm and, as a consequence, its dynamics.

The discourse on the EU disintegration is thus motivated by a number of premises, which can be reduced to three prevalent phenomena (Grosse, 2016). First, in many cases the governance on the EU level showed no par-
ticular superiority over national policy-making, which questions the assumptions of neo-functionalist theory. The low hanging fruits of the European integration have already been picked and the economies of scale of both economic and political processes may have started to bring diminishing returns. The solutions proposed to the member states during the migration crisis or linked to the sovereign debt crisis engendered huge controversies and were often at odds with voters’ preferences. Also, the (often ad-hoc) reaction of EU authorities to various hardships and challenges usually led to the expansion of the body of European legislation and regulations, but with poor results and performance. Thus supranational governance has showed that it not only tackles social and economic problems with less efficiency than national politics, but that it can also breed negative political externalities.

Second, the idea that the EU is and should continue to be based on common pan-European values and supranational identity is put under growing pressure. As it seems, the recent crises and their poor handling by the EU officials and bureaucrats have strengthened national identities leading to the questioning of the common values. The divergence between European nations has become more pronounced than before and pro-integrationist attitudes were pushed into defensive positions. And third, the European continent has witnessed a comeback of geopolitics and rivalry between the states. On the one hand, there have been considerable shifts in the geopolitical position of Europe with USA losing its interest in EU matters and Russia acquiring tools and channels for causing rifts and destabilization within the European community. On the other hand, Germany confirmed their status of economic powerhouse of Europe as well as leading political player and agenda setter causing the impression that the EU is becoming Berlin’s sphere of influence. This situation may have contributed to Brexit and might trigger even more eurosceptic tendencies among European societies.

So in general terms, a disintegration of supranational political entity can be a result of accumulation of a series of negative events and processes, which make further integration difficult by its delegitimation or political deadlock. In such case societies, politicians and various interest groups do not perceive it any more as sensible and beneficial due to political contradictions and economic hardships. However, it seems too early to judge if the EU has already reached this position. As Schmitter and Lefkofridi (2016, p. 3) argue, ‘the EU is not likely to break as long as it successfully fulfills key functions for the Union’s economy and society as a whole; but it can and will break if it does not’. They identify the areas in which we can still observe gains from cooperation and where we can reap mutual benefits, that is convergence in technocratic policies and expert advice leading
to advances in public policies, more economic security and stability, and increased social welfare. Yet, some societies seem to have been left with their problems including sluggish growth, stagnating wages, unemployment and migrations. These issues may fuel disintegration tendencies in the future if not addressed properly by EU authorities. Integration leading to growing divergence is not sustainable by any means.

In an effort to combine various theories of integration, Jones (2018) proposed a model of integration/disintegration based on cumulative sequence. He placed the emphasis on the equality of opportunity, which in political terms means that some, usually less endowed, players are offered a voice to be heard and a chance to build equal welfare and reap economic benefits like more successful states. If that kind of equality leads to better resource allocation and efficacy of political processes, then the rules of the game are accepted and the support for integration grows. Interests of wealthy and less developed, strong and weak societies become convergent, their chances are perceived as equal. In contrast, when hardships of various nature lead to political and economic divergences contributing to an increase in the inequalities of opportunity, tendencies to disintegrate begin to appear. Parties feel discriminated and have the impression of playing on a tilted table, so in consequence they start to believe they would be better off on their own. The directions of causation depend thus on the accumulation of positive and negative experiences. It is crucial to search for winners and losers of integration processes, because there the discontents and tendencies to separate emerge.

**Discussion: how does Brexit fit into this theoretical framework?**

Theories in general are simplifications of reality. However, all theoretical constructions need to be internally coherent and should refer implicitly or explicitly to some kind of intrinsic logic. Otherwise they would be a set of postulates or generalizations with little connection to the real processes and phenomena. In the case of integration theories, as well as the attempts to create reliable disintegration theories this logic seems to refer to rational political claims and actions which would hopefully lead to achieving better results in comparison to the alternative state of affairs in a given social or political issue. In reality it does not matter if this state of improvement will actually be gained, it is rather the existence of rationale or the conviction that it will happen.
At the first sight Brexit is a manifestation of European disintegration — both in theory and in reality. Behind this step lies the faith that the British can do better without EU rules, regulations and structures, which have apparently become too sclerotic and constraining for the British society and economy. National government is expected to tackle the accumulated and future challenges with more efficacy than supranational Brussels authorities. It is thus no wonder that a part of the Brexit debate concentrated on the attempts to explain and justify it in a rational manner. Even though hardships and threats stemming from Brexit were acknowledged, there must have been some rationale justifying the whole process. This attitude was especially evident for Eurosceptic politicians and commentators. The list of the reasons that have finally led to the lost referendum and the decision to leave the EU is well known. The negative attitude of the British conservative party to the European integration and a substantial Eurosceptic electorate have always suggested that the UK was reluctant to delegate parts of its sovereignty to the continent. However, due to the geopolitical position, it was more beneficial to join the EU than to stay outside the integration process. Yet, British accession to the EU has always bred dissatisfaction among voters, same as migration into the UK. Thus London has adopted the attitude of an outsider opting for European confederation instead of deeper integration. Britain joined the EU to protect its interests, not because it was eager to integrate with the continental values and structures. It was a marriage of convenience, not of love and devotion.

In this perspective, Brexit is just a response to the changing circumstances and the consequences of being an EU member. It should not come as a surprise that Britain was first to react to the undesirable developments within and outside the EU, as it has always been the most sceptic member. The disintegration processes have already started years ago, but Brexit is just a solid manifestation of it and it should have been expected. For Richardson (2018) this is a clear failure of the idea of supranationalism. Top-down coercion in the process of governing the EU has displaced the politics based on consensus-seeking and respect of national diversity. The divergence between European elites and citizens has never been so huge. Richardson thus rejects the idea that it was the internal factors of British politics that have led to Brexit. It was rather the unwanted and arbitrary expansion of EU authorities into the national public policies and regulations far exceeding the expectations of European people that triggered the animosity of many citizens against the EU. The processes of integration and unification have a pace of their own and too much pressure on hastening them brings negative consequences.
Even though the above argumentation has something to it and provides some explanation of Brexit rationale, we believe that it is an attempt to provide ex-post justification to a sudden and unexpected move. The true reason for Brexit was the lost referendum, which was a political gamble by PM David Cameron, who left the office after the defeat. The referendum itself was a triumph of civic ignorance, post-truth and disinformation embodied in a negative campaign, which referred to general discontent of neoliberal modernization and imaginations of past British colonial power. The standard set of arguments of the Leave option included immigration control, rejection of Brussels bureaucracy, opposition to the establishment and the wish to ‘make Britain great again’. Alas, no detailed plan of how to achieve these goals was presented. It was a game of emotions targeted at the discontented masses, not a discussion based on rational, geopolitical and economic calculations.

Recent developments around Brexit negotiations and lack of coherent British political position seem to confirm that the process of leaving the EU is highly improvised. Even during the Brexit campaign there were no calculations or simulations offered predicting how much British economy would lose (or gain) on leaving the EU. Slogans on new trade agreements, restoration of imperial trade networks and ‘no compromises’ were offered instead. However, according to economists’ calculations British GDP per capita may shrink by 10% in 10 years if UK leaves the Single Market (Sampson, 2017). Ben Rosamond (2016) was right predicting that Brexit would be a haphazard, unpredictable and consequently open-ended and indeterminate process. Today, more than three years after the referendum, we still do not know whether Brexit will indeed take place or what kind of institutional form it will take. What we know though is that Brexit has caused a major political crisis in the UK and impaired reputation of the country, which will be hard to retrieve in the future.

Many studies have confirmed that the British voting to leave the EU were usually motivated by anti-immigration and anti-establishment feelings. They were thus trying to express their lack of confidence in the changes that modern societies have been going through lately and found a suitable scapegoat for their decreasing welfare and growing uncertainty of life. The Leavers were often the less educated and less well-off people, feeling left behind by the processes of globalization, including the movements of people and capital, which actually reflects the situation in many countries across Europe (see Hobolt, 2016; Wahl-Jorgensen, 2016; Kriesi et al., 2012; Teney et al., 2014). Paradoxically, these groups are also the most vulnerable to Brexit consequences taking into consideration possible economic downturn and weakened geopolitical position of UK as a lone coun-
try in the globalized world. After the Brexit referendum, numerous studies have been published on how Brexit might affect the UK economy in the longer term. The vast majority of these studies predict a negative impact of Brexit on UK economy (Tetlow & Stojanovic, 2018), which will harm the well-being of the most vulnerable citizens. To our best knowledge, none of the alternatively considered relations between UK and the EU presents itself as more advantageous compared to the full membership (see The Consequences…, 2016).

From the theoretical perspective, Brexit can be interpreted through the postfunctionalist theory of integration that puts the pressure of explanation on masses and politics. Schimmelfennig (2018) argued that the Leave campaign and the motivations to quit the EU were in line with postfunctionalist expectations. He also predicted that due to weak institutional bargaining power states seeking disintegration — like the UK — need to moderate their demands and make concessions to the EU when negotiating the leave conditions. Also Hooghe and Marks (2019) emphasize that Brexit referendum portrays tensions between functional integration and nationalist resistance, which have never connected. The set of arguments of both sides was completely disjunctive and touched upon divergent issues (i.e. economics vs. national identity), so there was no common denominator between them to find a ground for a plausible discussion. For this reason, it was the immigration issue that finally proved to be decisive.

The Brexit situation seems to prove something more though, namely that the benefits of EU integration are not acknowledged and appreciated enough until a society faces the possibility to lose them and that people’s vote is vulnerable to manipulations, fallacies and false hopes making it doubtful basis for long-term political decision making of great significance. The public opinion is also volatile. According to post-referendum polls, the Leave decision was hasty and impulsive and a petition to repeat the vote was swiftly signed by 6 million Brits. Does it suggest that the technocratic elites were right after all? Do post-functionalist assumptions need to yield to neofunctional theories? Such conclusions would be too rapid at the moment, but they provide grounds for a renewed discussion. The prevalence of neofunctionalism is for example clearly seen in the issue of regaining national sovereignty after leaving the EU. In fact, it is hard to imagine a return to the situation of pre-1973, when the UK was still outside the European Communities. The complexity of the whole situation has induced the UK government to make a desperate plea for transition period after March 2019 to allow the country to set up its own regulatory machinery, which would order the relations between the EU and the country. The attempts to postpone or even cancel Brexit, which were made after that date, suggest
similar concerns. Moreover, there are premises to expect that the UK will be extensively subject to EU rules and European Court of Justice, even if Brexit takes place due to the need to sustain trade and keep working international and legal relations.

Even though the United Kingdom may pay a price for leaving the EU, the latter might actually benefit from it in political terms. Brexit may become a factor prompting European countries to foster the integration and speed up the ‘muddling through’ of deepening and widening the unification (Zielonka, 2014). It will thus become a factor of integration, not disintegration, especially for those countries that are willing to join the EU core. What is more, the EU officials have shown that they can act quickly and effectively to protect the interest of the community and its members. McTague (2019) demonstrates clearly that in the EU–UK dispute over Brexit conditions it was the British that were unprepared for the negotiations and were unable to reach any of their goals. The EU, in contrast, acted in accordance with its own priorities set in legal acts, did not get involved in unnecessary political bargains and openly supported the Irish side of the border conflict. As one diplomat said, for the EU it was not a divorce but amputation, performed with determination and no sentiments. This situation shows therefore that, first, the EU as an organization has proved to be able to act quickly and effectively in protecting its interests when the situation required it and, second, that leaving the EU is linked with high economic and political costs (as the future will probably confirm even more). In short, Brexit negotiations might lead to institutional empowerment of the EU’s institutions (see Bressanelli et al., 2019; Martill & Staiger, 2018; Patel, 2018), unless the post-functionalist questions of national identity and internal political struggles prevail over European integration.

Conclusions

In this paper, we have attempted to show that straightforward classification of Brexit in the integration theories is highly problematic. It does not seem to fit neither neofunctionalism nor intergovernmentalism, as both approaches predict that due to high economic and political costs of leaving no government would intentionally follow that option. However, the case of Brexit seems to confirm the basic assumptions of post-functionalist approach to European integration. In this perspective, the political and economic rationality adopted by governments and interest groups is counter-vailed by other rationalities referring to identity and social issues as well as the legitimization of power. Interestingly enough, the British outbreak of
euroscepticism was provoked by the government itself, even though national authorities so far used to protect the consensus on EU integration by keeping the discordant tendencies at distance. Brexit thus exemplifies the risk of unpredictable capitulation to eurosceptic demands and as such depicts the change in the rules of the game within the politics of European integration. It may also serve as a boundary line for leaders on how far they can go with regard to political gambling, especially that the support for the EU remains high in their countries.

It is hard to predict today whether Brexit will foster further integration of encourage other countries to become more critical of the EU and play even more risky political games. Many point to the former considering the political atmosphere around Brexit and possible, yet unrevealed, consequences of the leave. What seems, however, easier to project is that it will open a new chapter in the research on European integration. More attention will be paid to domestic politics and the creation of European identity, the analysis of conflict arenas and the rules therein, shifts in the decision-making capabilities, as well as how European issues are handled within particular member countries. It is only by such a reallocation of scholarly focus that we can further analyze and understand the European integration.

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