

The Mechanics of Integration: Analysing European Union Through Neo-Functionalist Theory

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This article analyses European integration through neo-functionalism, a theoretical framework that emphasizes the importance of supranational institutions, spillover effects, and elite-driven consensus in fostering unity among nations. This paper analyses the historical development and institutional dynamics of the European Union (EU), clarifying the factors that have transformed regional cooperation from a fundamental economic partnership to significant political integration. This approach examines essential notions such as functional, political, and cultivated spillover to elucidate how integration in one domain generates incentives for more cohesion in other areas. The paper critically evaluates the limitations of neo-functionalism, particularly concerning the rising nationalism and Euroscepticism. This analysis offers crucial insights into the EU's ongoing evolution and the importance of neo-functionalism in understanding regional integration processes in contemporary geopolitics. In conclusion, analyze the potential implications of Brexit on the EU.

Keywords: European Union, Integration, Neofunctionalism, Spillover, Brexit, Euroscepticism

Post-World War II, European nations aimed to promote peace and economic revitalization through collaboration. Founded in 1951 by the Treaty of Paris, the European Coal and Steel Community (ECSC) sought to unify the coal and steel sectors to avert future hostilities. In 1957, the Treaties of Rome established the European Economic Community (EEC) and the European Atomic Energy Community (Euratom), laying the groundwork for economic union. Denmark, Ireland, and the United Kingdom acceded to the EEC in 1973 during its initial expansion. The Single European Act (1986) aimed to create a united market by 1992, removing barriers to trade and movement. The disintegration of communist regimes in Eastern Europe facilitated further expansion and integration. (European Parliament, 2018). The Maastricht Treaty (1992) founded the European Union and instituted new foundations for collaboration in foreign and security policy, alongside justice and home affairs. (European Parliament, 1996). The euro was introduced as a digital currency in 1999 and transitioned to actual cash in 2002. Between 2004 and 2007, the EU incorporated 12 new countries, increasing the number of member states to 27. The 2007 Lisbon Treaty restructured European Union institutions and improved the EU's international capacity. The EU has encountered challenges, including the financial crisis, Brexit, and the pandemic, yet it persists in pursuing unity and

resilience.

Neo-functionalism is a philosophy of regional integration first articulated by Ernst B. Haas in 1958. It seeks to clarify the regional integration process, particularly with the European Union (EU). Neo-functionalism posits that integration in one sector will create demands for more integration in other domains. This phenomenon is referred to as the “spillover effect.” For instance, integration in coal and steel production, as the European Coal and Steel Community shows, may result in economic integration and facilitate political integration. This paper highlights the significance of supranational organizations in advancing integration. (Haas, 1958). Institutions like the European Commission are essential for overseeing and advancing integration beyond the national sphere. Neo-functionalism emphasizes the significance of political and economic elites in the integration process. These elites are seen as pivotal agents who advocate for and oversee integration initiatives.

Neo-functionalism has significantly shaped the comprehension of the EU’s evolution. The idea elucidates how initial integration endeavors in particular sectors resulted in extensive economic and political integration. It elucidates the function of EU institutions and the impact of political elites in shaping the integration process. Although neo-functionalism has been a prevailing ideology, it has encountered challenges and undergone modifications. Critics contend that it disproportionately highlights the influence of supranational institutions and elites while disregarding the significance of national governments and public sentiment. Recent updates have integrated perspectives from alternative theories, including liberal inter-governmentalism and constructivism, to enhance the understanding of regional integration. (Dunn, 2012). Notwithstanding its critiques, neo-functionalism continues to be pertinent in the examination of modern developments in regional integration. It can be utilized to comprehend the mechanics of Brexit and the difficulties of preserving unity within the EU.

The paper primarily aims to evaluate the regional integration process inside the European Union (EU) through a neo-functionalist lens. The study expressly seeks to understand the integration mechanisms outlined by neo-functionalism. Analyze the impact of supranational institutions and political elites on promoting EU integration. Identify the spillover effects that facilitate improved integration among various businesses. (Tindal-Clarke, 2020). Assess the modern significance of neo-functionalism in elucidating current processes of EU integration. Identify the essential elements of neo-functionalism regarding regional integration, the impact of supranational institutions on the integration process within the EU, the role of political and economic elites in EU integration, analyze the spillover effects in the EU’s integration process and elucidate recent developments and challenges within the EU through the lens of neo-functionalism.

Historical Context of EU Integration

The European Union’s integration process commenced post-World War II, motivated by averting future conflicts and fostering economic collaboration. The formation of the ECSC marked the initial substantial advancement towards integration, concentrating on economic sectors vital for military might. This policy laid the groundwork for establishing the EEC to cultivate a unified market among its member states. The Treaty of Rome, adopted in 1957, founded the European Economic Community and commenced the path of deepened economic integration.

The purpose was to create a customs union, promote free trade, and develop cohesive policies across several sectors, including agriculture and transportation. (Almut Moller, 2014). The EEC's success in fostering economic cooperation demonstrated the viability of regional integration and enabled subsequent initiatives.

Treaty of Rome and the European Economic Community: The EEC sought to establish a unified market among its six original members: Belgium, France, Italy, Luxembourg, the Netherlands, and West Germany. The treaty aimed to improve economic cooperation and prosperity by removing obstacles and enabling the free movement of products, services, capital, and labor. The common market established a foundation for economic growth and stability, which benefited all member nations. The Treaty instituted a unified agenda in agriculture and transportation. The Common Agricultural Policy (CAP) sought to provide food security and stable markets and promote equal living standards for farmers. The agreement enhanced the coordination of infrastructure development in transport, fostering efficiency and connectivity among member states. In addition to economic objectives, the Treaty of Rome signified a substantial advancement towards the European political union. (European Parliament, 2000). It was dedicated to peace and stability by promoting collaboration and interdependence among European states. The pact aimed to establish a more cohesive and harmonious Europe, facilitating the following agreements and enhanced integration.

The ideals and frameworks instituted by the Treaty of Rome have significantly influenced European integration. It initiated a process that resulted in the establishment of the single market, the implementation of the euro, and the enlargement of the EU to encompass 27 member states. The Treaty of Rome is essential to European integration, reflecting its member states' collective values and ambitions. The Treaty of Rome and the EEC were instrumental in promoting European integration, enhancing economic prosperity, and establishing the groundwork for a unified and peaceful Europe.

The Single European Act: SEA of 1986 represented a key advancement in the integration efforts of the European Union. The objective was to establish a cohesive internal market by 1992, removing obstacles to the unrestricted movement of products, services, capital, and individuals. The SEA strengthened the European Parliament's jurisdiction and established new decision-making processes to facilitate integration. The SEA established the foundation for extensive economic and political transformation, fostering collaboration and unity among member states. (European Communities Commission, 1986). The primary objective of the SEA was to eliminate physical, technological, and financial barriers that obstructed the free movement of goods, services, capital, and people among EC member states. The SEA aimed to improve economic efficiency, increase competition, and promote regional economic development by creating a unified internal market.

The SEA implemented substantial policy adjustments to promote the advancement of the internal market. It enhanced decision-making procedures by broadening qualified majority voting in the Council of Ministers, thus diminishing the necessity for unanimous decisions that frequently resulted in impasses. This alteration expedited the execution of essential market modifications. The SEA enhanced the European Parliament's function by expanding its legislative authority and fostering improved democratic accountability within the EC. Implementing the SEA was essential for attaining significant economic integration inside the EC. (European

Communities, 1987). This resulted in eliminating customs inspections, the standardization of legislation, and deregulating critical sectors such as telecommunications and financial services. Establishing a unified market enhanced transnational trade, investment, and mobility, bolstering member states' collective economy. The SEA created a foundation for future treaties, notably the Maastricht Treaty, which founded the European Union and advanced political and economic unity. The Single European Act was essential for establishing the internal market, fostering enhanced integration and economic expansion within the European Community. (House of Lords, 2016).

Maastricht Treaty and the EU: The Maastricht Treaty, signed in 1992, was a pivotal moment in the formal creation of the European Union. It instituted the concept of European citizenship, expanded the integration framework to include foreign and security policy, and laid the foundation for establishing the Economic and Monetary Union (EMU). The agreement created a structure consisting of multiple pillars that classified various policy domains, each with distinct decision-making processes. The Maastricht Treaty converted the European Economic Community (EEC) into the European Union, indicating a more advanced integration framework beyond mere economic collaboration (European Parliament, 1996). It created the concept of European citizenship, allowing individuals to reside, work, and engage in elections within any EU member state. The treaty established the EU's three-pillar structure, the European Communities, formulating economic, social, and environmental policies. Common Foreign and Security Policy (CFSP) which aligns foreign policy with security concerns. The Justice and Home Affairs (JHA) sector emphasizes cooperation in judicial and law enforcement issues.

This Treaty established the foundation for the formation of the EMU. This entailed the implementation of a singular currency, the euro, and the establishment of the European Central Bank (ECB) to oversee monetary policy. The accord enhanced the European Parliament's authority, improving democratic accountability inside the EU. It also established programs to enhance social cohesion, including job and social protection efforts. The Maastricht Treaty established convergence requirements that member states must fulfill to adopt the euro. The stipulations encompassed restrictions on inflation rates, government budget deficits, public debt, and interest rates, guaranteeing economic stability and convergence among member states. (European Union, 1965). The Maastricht Treaty was a crucial agreement that established the European Union, introduced European citizenship, and set the foundation for the Economic and Monetary Union. It signified a pivotal progression in European nations' political, economic, and social unification.

Theoretical Framework

Neofunctionalism underscores the significance of social structures and institutions in preserving society's stability and cohesion. Nonetheless, it acknowledges the influence of individual activities and interactions in forming these systems. This method connects macro-level societal dynamics with micro-level individual behaviors. Neofunctionalism's primary contribution is its emphasis on social difference, wherein civilizations progress by establishing specialized institutions and functions. (Cameron, 2004). It underscores the significance of social integration, wherein these varied components are harmonized to preserve social order. Neofunctionalism has significantly impacted the examination of regional integration,

notably inside the European Union, where it has been employed to evaluate the processes and structures that facilitate supranational governance and cooperation.

Neo-functionalism identifies significant milestones in EU integration, including the formation of the ECSC, the EEC, and the implementation of the euro. The spillover effects of the first economic cooperation illustrated the interdependence of policy domains, requiring more comprehensive frameworks for collaboration. The ECSC's effective management of the coal and steel industries established a model for cooperation in other sectors, culminating in the Treaty of Rome and the EEC in 1957 (European Parliament, 2000). Likewise, economic integration via the Single Market advanced political integration initiatives, exemplified by the Maastricht Treaty of 1992, which founded the EU and instituted a monetary union.

Supranational entities, such as the European Commission, the European Parliament, and the European Court of Justice, are essential to neo-functionalism. These bodies supervise the integration process, guarantee compliance with EU rules and policies, and promote further integration. They function at a supranational level, offering a measure of continuity and stability that individual member nations may lack. Neo-functionalism emphasizes the significance of political and economic elites in promoting the integration goal (Usherwood, 2013). The elites, comprising government officials, corporate leaders, and academics, are considered pivotal figures who propel the integration process through their influence and decision-making. They assist in establishing consensus, formulating policy, and promoting collaboration among member states. The spillover effect is a fundamental principle in neo-functionalism. It posits that integration in one domain, such as economic collaboration, generates impetus for additional integration in other interconnected domains, such as political governance (Taylor, 2008). This cascade effect elucidates how beginning actions toward integration might result in increasingly profound and extensive types of collaboration over time.

Neo-Functionalist Theory

Neo-functionalism arose as a significant theory in the mid-20th century, mainly to elucidate the trend of regional integration in Europe. This analysis was inspired by the existing literature, which includes the extraction of the core things related to European integration based on a theoretical framework (Moravcsik, 1998); (Hoffmann R. o., 1994); (Hoffmann S., 1966). The hypothesis was developed by Ernst Haas and Leon Lindberg, among others. Ernst Haas, frequently acknowledged as the progenitor of neo-functionalism, established the fundamental principles in his pivotal essay *"The Uniting of Europe"* (Haas, 1958). He contended that integration would transpire via a process propelled by the spillover effect, wherein beginning collaboration in particular areas would generate incentives for additional integration. Leon Lindberg elaborated on Haas's concepts and advanced the theory by highlighting the significance of supranational institutions and elite socialization (Liesbet Hooghe, 2019). The fundamental principles of Neo-functionalism include the spillover effect, elite socialization, and supranational institutions

Spillover: The notion of spillover is fundamental to neo-functionalism. It posits that integration in one domain (e.g., economic collaboration) would ultimately result in integration in other domains (e.g., political collaboration) owing to the interdependent nature of contemporary economies and society. (Dunn, 2012). Establishing a single market may require aligning policies in transportation,

environmental regulations, and labor legislation. This procedure establishes a self-perpetuating cycle of integration.

Elite Socialisation: Neo-functionalists contend that elites, including politicians, bureaucrats, and corporate leaders, are pivotal in facilitating the integration process. Through consistent engagement and cooperation within supranational organizations, these elites cultivate a collective identity and a dedication to the integration initiative. (Tindal-Clarke, 2020). This socialization process mitigates nationalistic tendencies and fosters a sense of European solidarity. Gradually, these elites evolve into influential proponents of enhanced integration.

Supranational Institutions: Neo-functionalism underscores the importance of supranational institutions, including the European Commission, the European Court of Justice, and the European Central Bank. These institutions catalyze integration by developing policies, adjudicating conflicts, and guaranteeing adherence to established regulations. (Scheidt, 2011). They establish a platform for collaboration that surpasses national boundaries and enables decision-making in the collective interest of member nations.

Notwithstanding its significant contribution to elucidating European integration, neo-functionalism has encountered numerous critiques. A primary criticism is its perceived determinism, the notion that integration is an unavoidable and linear process propelled by the spillover effect. Critics contend these neglect political and economic phenomena' intricate and frequently erratic characteristics. The hypothesis failed to explain the periods of slowness and setbacks in the European integration effort, including the "Euro sclerosis" of the 1970s and the contemporary challenges presented by the Eurozone crisis and Brexit (Saurugger, 2023). A further critique is the theory's focus on elite-driven processes, which may seem detached from the preferences and concerns of the general populace. The democratic deficit in the EU, characterized by decisions taken by remote and unelected technocrats, has engendered distrust and opposition among the populace. In reaction to these critiques, neo-functionalism has developed. Academics have enhanced the idea by including a more sophisticated comprehension of the interaction between supranational and national entities and the influence of public opinion (Erik Jones, 2005). They have examined the circumstances that increase the likelihood of spillover effects and delineated the integration boundaries. Although neo-functionalism is a fundamental theory in European integration studies, it is today regarded as one component of a wider array of theories that seek to elucidate this process's intricate and multifaceted character.

Case Studies In EU Integration

Case studies provide a significant perspective for analyzing the implementation and ramifications of neo-functionalism in European integration. These studies elucidate the mechanisms and challenges of integration in practice by concentrating on particular cases, such as the establishment of the Single Market, the progression of the Eurozone, and the process of EU enlargement. Each case highlights the complex interaction of functional spillovers, supranational institutions, and member-state interests, offering essential insights into the achievements and constraints of the integration process. Collectively, these instances elucidate the theory's significance while underscoring aspects that necessitate enhancement or augmentation.

The Evolution of the Single Market

The Single Market, established by the European Union (EU) in 1986, aimed to create a unified economic framework by removing trade barriers and promoting cross-border trade. The Single European Act aimed to complete the market by 1992, with supranational institutions like the European Commission playing a crucial role. The Commission recommended legislative initiatives, oversaw implementation, and ensured adherence to Single Market regulations. (Telegraph, 2004). The fundamental function of supranational governance underscored the concepts of elite socialization and the significance of institutions in the integration process.

The creation of the Single Market required significant legislative and regulatory alignment. The European Court of Justice (ECJ) enabled the interpretation and enforcement of EU law, ensuring conformity by member states with their commitments. This regulatory structure created a stable and predictable environment for businesses and consumers, improving economic integration. Despite its accomplishments, the Single Market encountered challenges, including resistance from member states, regulatory discrepancies, and public skepticism. (Government of UK, 2019). The current efforts to improve and expand the Single Market demonstrate the enduring relevance of neo-functionalism in explaining European integration processes.

The Schengen Area and Free Movement of People

The Schengen Area, created by the Schengen Agreement 1985, represents one of the European Union's most significant accomplishments, reflecting neo-functionalism tenets. The accord eliminated internal border constraints among participating nations, facilitating the unrestricted movement of individuals across member states. This project broadened the spillover effect from economic to social integration, enhancing mobility and collaboration among European residents. (EU Home Affairs, 2011). Five member nations initially established the Schengen Area, which expanded to 26 countries. The accord was integrated into EU legislation with the Treaty of Amsterdam in 1997, reinforcing its importance in the integration process. Eliminating internal borders required improved coordination in immigration, asylum, and security policy, highlighting the interdependence of the involved nations. (House of Lords, 2016).

Supranational entities, notably the European Commission and the European Parliament, were instrumental in supervising the execution of the Schengen Agreement. These organizations enabled the standardization of visa policies, border management, and data-sharing platforms, maintaining a fluid and secure environment for unrestricted mobility. The ECJ furthered its role by interpreting and enforcing pertinent regulations, thus strengthening the legal framework of the Schengen Area. (Haas, 1958). The Schengen Area has significantly influenced European integration. It has improved cross-border collaboration, increased tourism and commercial endeavors, and cultivated a sense of European identity among citizens. Nonetheless, problems, including migration constraints, security issues, and the epidemic, have examined the robustness of the Schengen framework. Notwithstanding these obstacles, the Schengen Area remains an essential element of the EU's integration initiative, illustrating the persistent significance of neo-functionalism in influencing the dynamics of European collaboration. (EU Home Affairs, 2011).

The Function of the European Commission

The European Commission, established in 1958, plays a crucial role in the EU's governance, promoting European integration through legislation, decision-making, and enforcing treaties. The primary function of the European Commission is to propose new legislation. The Commission delineates sectors necessitating a unified strategy and formulates legislative recommendations for the consideration of the European Parliament and the Council of the European Union. (Erik Jones, 2005). This process often entails comprehensive consultations with stakeholders, including national governments, industry groups, and civil society, to guarantee that the proposed legislation embodies the varied interests of the EU.

The Commission is crucial for ensuring member states adhere to EU legislation. It oversees the execution of legislation and may commence infringement actions against member states that do not fulfill their commitments. This enforcement mechanism highlights the necessity for supranational institutions to uphold the integrity and efficacy of the integration process. The European Commission administers the EU's budget and distributes funds to diverse projects and activities. (Dominguez, 2005). It supervises diverse initiatives, encompassing agricultural subsidies and financing for research and innovation, promoting economic and social integration among member states. Its diplomatic and external interactions show the Commission's function in advancing European integration. It represents the EU in foreign discussions, particularly trade agreements, and aims to promote the Union's interests globally. (Beech, 2022). The European Commission is a vital catalyst for the EU's integration process. It illustrates neo-functionalist principles of spillover, elite socialization, and supranational governance via its legislative, regulatory, and administrative functions, hence ensuring the ongoing development and cohesiveness of the European Union.

Nonetheless, neo-functionalism has been substantiated, as the EU has consistently integrated and expanded during crises instead of fragmenting, which contradicts the optimistic view of neo-functionalism that asserts the EU's strength is exclusively dependent on its member states, implying that the organization lacks autonomous power and is perilously close to failure due to its superficial resilience.

EU Crises: A Neo-Functionalist Approach

The European Union (EU) has encountered various crises, ranging from economic recessions to political turmoil. A Neo-Functionalist perspective offers a significant framework for analyzing these crises, highlighting the dynamic interaction between supranational institutions and member states. Neo-functionalism, formulated by Ernst B. Haas, asserts that regional integration is propelled by a "spillover" mechanism, wherein integration in one domain catalyzes integration in additional sectors. (Haas, 1958). This theory posits that crises inside the EU can be interpreted as tension and adaptation within the continuous integration process.

The Eurozone crisis commenced in 2009 and is one of the most critical crises in recent EU history. The crisis revealed the weaknesses of the Euro and the economic inequalities among member states. From a Neo-functionalist viewpoint, the crisis is perceived as a consequence of insufficient economic integration. Although the monetary policy was centralized, fiscal policies predominantly remained national, resulting in imbalances and tensions. (Moga, 2009). The spillover effect was

constrained, as member states faced challenges in properly coordinating their economic strategies. The migrant crisis of 2015-2016 exemplifies a scenario where Neo-functionalism provides valuable insights. The abrupt surge of refugees and migrants exerted significant strain on the EU's border and asylum policies. (Harris, 2004). The crisis underscored the necessity for enhanced collaboration and integration in migration management and border control domains. Neo-functionalism posits that the crisis may catalyze enhanced integration in these domains as member states acknowledge the advantages of a cohesive strategy.

The 2016 Brexit referendum is a significant case study for Neo-functionalism. The UK's choice to exit the EU can be viewed as a reaction to the perceived erosion of national sovereignty and democratic accountability. Neo-functionalism posits that such crises are inherent to the natural dynamics of integration, characterized by phases of swift integration succeeded by instances of resistance and the reaffirmation of national interests. (H M Government, 2022). Neo-functionalism emphasizes supranational entities like the European Commission and the Court of Justice as key to promoting integration and mitigating tensions during crises, but their effectiveness may be compromised.

The epidemic has challenged the EU's resilience and integration capabilities. The epidemic underscored the necessity for synchronized health measures and economic recovery strategies. Neo-functionalism would interpret the EU's reaction to the epidemic as a catalyst for enhanced integration, as member states acknowledge the advantages of collaborative action in tackling shared difficulties. A Neo-functionalist perspective on EU crises emphasizes the significance of comprehending regional integration's dynamic and iterative characteristics. Crises serve not just as impediments but also as catalysts for enhanced integration since they expose the strengths and vulnerabilities of the existing system and compel member states to adapt and collaborate more closely. (HM Government, 2018). Neo-functionalism offers a thorough framework for evaluating and tackling the EU's difficulties by emphasizing the interaction between supranational institutions and national concerns.

Crisis and Resilience: Prospects for Europe's Unity

Europe has long been characterized by its diversity, extensive history, and intricate political landscape. In the last ten years, the European Union (EU) has encountered substantial problems that have challenged its cohesion and fortitude. The Eurozone, migration, and Brexit have raised questions over the future of European integration and the feasibility of a cohesive Europe. Brexit, the United Kingdom's decision to exit the European Union, represented a significant political crisis for the Union. The establishment of the Single Market represents a notable accomplishment of the European Union (EU) and illustrates the principles of neo-functionalism in practice. The Single Market sought to establish a cohesive economic structure for member states by eliminating trade barriers and facilitating the unrestricted flow of goods, services, individuals, and capital. The initiative commenced with the Single European Act (SEA) in 1986, aiming to finalize the Single Market by 1992.

The SEA implemented initiatives to harmonize national rules and diminish administrative obstacles, promoting cross-border trade and economic integration. This initiative illustrated the spillover effect, in which economic cooperation in specific areas led to more integration in other sectors. Supranational institutions,

particularly the European Commission, were crucial in establishing the Single Market. It challenged the notion of progressively deeper integration and raised concerns regarding the potential for other member states to replicate this approach. Nonetheless, the EU showed remarkable unity during the Brexit negotiations, maintaining a coherent stance on crucial issues such as the Irish border and citizens' rights. (Allen, 2017). The Brexit process prompted more discussions on the EU's future, leading to initiatives aimed at improving the Union's democratic legitimacy and its responsiveness to people's issues.

The Brexit Crisis Unfolds

The Brexit phenomenon, characterized by the United Kingdom's choice to withdraw from the European Union (EU), has significantly affected the EU. The choice, validated by the 2016 referendum, triggered a series of political, economic, and social issues that the EU persists in addressing.

Brexit has posed an enormous test to the cohesion and fortitude of the EU. The exit of a significant and influential member state has elicited apprehensions regarding the future of European integration and the possibility of other member states emulating this action. The EU has exhibited remarkable consistency during the Brexit negotiations by upholding a cohesive position on critical matters, including the Irish border, people's rights, and the financial settlement. (Benjamin Martill, 2018). This coherence was vital for preserving the integrity of the Single Market and guaranteeing that the terms of the UK's withdrawal would not undermine the principles of the Union. The Brexit crisis forced the EU to evaluate its democratic legitimacy and the balance of power between member states and EU institutions. The process highlighted the need for reforms to enhance transparency, accountability, and response to residents' concerns. The EU has initiated measures like the Conference for the Future of Europe to address these concerns and preserve the Union's strength and democratic integrity (European Union Committee, 2020).

Brexit has resulted in significant disruptions and uncertainties. The termination of unrestricted access to the UK, a leading economic partner of the EU, has created new trade barriers and regulatory challenges. Companies on both sides of the Channel faced increased costs and challenges, particularly in the automotive, pharmaceutical, and financial services sectors. The EU must amend its economic policies and structures to mitigate these effects and maintain stability inside the Single Market. (European Communities, 2000). Implementing the EU-UK Trade and Cooperation Agreement laid the groundwork for future economic relations while underscoring the need for continuous collaboration and adaptation. (Whitman, 2020). The EU must tackle difficulties such as customs inspections, regulatory compliance, and labor mobility, ensuring that the new arrangements do not hinder economic growth and integration.

Brexit has significantly impacted millions of EU residents residing in the UK and UK citizens living in the EU. The uncertainty regarding their rights and status during the negotiation period caused anxiety and disrupted lives. The execution of the EU Settlement Scheme and other measures in EU countries aimed to alleviate these challenges; however, barriers remain in ensuring complete protection for all affected individuals. Brexit exposed significant divisions within European societies, highlighting differences in views on integration, sovereignty, and identity. (European

Parliament, 2024). These disparities have compelled the EU to pursue more transparent and inclusive dialogue, cultivating a shared objective and tackling the reasons for dissatisfaction. The Brexit referendum, conducted on June 23, 2016, was a significant event in the history of the United Kingdom. The referendum enquired if voters favored the UK's continued membership in the European Union (EU) or its withdrawal. The outcome was a marginal triumph for the Leave campaign, with 51.9% of voters choosing to depart from the EU. This decision catalyzed political developments that will influence the UK's future for years. (Legislation Government of UK, 2020).

The referendum was a pivotal initiative of British Prime Minister David Cameron to address the rising Euroscepticism within his Conservative Party and the wider populace. Cameron resigned following his advocacy for the UK to remain in the EU, enabling the ascension of a new leader to navigate the complex Brexit process. Theresa May assumed the role of Prime Minister, succeeding Cameron, on July 13, 2016. Her tenure was marked by the challenge of negotiating the United Kingdom's departure from the European Union (Emerson, 2017). May's Brexit policy was characterized by her commitment to honoring the referendum result while attempting to negotiate an agreement to alleviate economic repercussions and maintain robust relations with the EU. May's administration faced significant challenges in securing parliamentary approval for her Brexit arrangement. (Prime Minister's Office, 2022). The Withdrawal Agreement she negotiated with the EU was rejected three times by the House of Commons, leading to a parliamentary stalemate and increasing pressure on her leadership. Despite her efforts to reach a compromise, May could not unify her party or obtain sufficient support for her deal. This ultimately led to her resignation as Prime Minister on July 24, 2019.

Boris Johnson, a key proponent of the Leave movement, assumed the role of Prime Minister on July 24, 2019, following May's tenure. Johnson's strategy for Brexit was more aggressive, and he vowed to execute Brexit by October 31, 2019. His leadership approach and resolve to exit the EU, whatever of a deal, resonated with numerous voters and members of the Conservative Party. The Johnson administration restructured the Withdrawal Agreement, altering the contentious Irish backstop. (Geary, 2019). The amended agreement received approval from the House of Commons, and the United Kingdom officially exited the European Union on January 31, 2020. Johnson's premiership was distinguished by his capacity to resolve the parliamentary impasse and execute Brexit; however, it was also defined by considerable political and social divisions inside the UK.

The Brexit referendum and the ensuing leadership of Theresa May and Boris Johnson have significantly influenced the United Kingdom. The departure from the EU revealed substantial national political, economic, and social differences. It also underscored the constraints of managing intricate international talks and the difficulties of reconciling national sovereignty with economic interdependence. Theresa May's government is often perceived as a period of political turmoil and dissatisfaction, marked by her inability to secure a Brexit agreement that satisfied both Parliament and the public (HM Government, 2020). Boris Johnson's leadership is regarded as more decisive yet divisive, having propelled Brexit amidst significant debate and dissent. The Brexit referendum and Theresa May and Boris Johnson's leadership have profoundly impacted the United Kingdom's political landscape. The

consequences of Brexit continue to influence the nation's politics, economy, and society as the UK establishes its new relationship with the EU and the international community.

Conclusion

The European Union (EU) has evolved through a complex process shaped by neo-functionalism concepts, such as spillover, elite socialization, and supranational institutions. The spillover phenomenon, in which integration in one domain stimulates more integration in other domains, has been observed throughout the history of the EU. Elites, comprising political leaders, bureaucrats, and business executives, have significantly influenced the EU's direction, fostering a collective dedication to the integration initiative. Elite socialization has cultivated a European identity and unity, essential for managing the integration process. Supranational entities such as the European Commission and the European Court of Justice have been instrumental in legislative efforts and conflict settlement. Notwithstanding its achievements, neo-functionalism encounters criticism for its apparent determinism and the intricacies of the integration process, leading to demands for changes and modifications. Neo-functionalism, a theory emphasizing elite-driven processes, has faced criticism for its detachment from the concerns of common populations. The European Union's democratic weakness and perceived opacity have incited public dissent. The trajectory of European integration will persist under the tenets of neo-functionalism, albeit with modifications to rectify the democratic deficit and accommodate the varied interests of European residents.

The EU must negotiate a swiftly evolving geopolitical landscape, confronting difficulties such as migration, economic inequalities, and external threats. Supranational institutions will persist in their vital function of coordinating responses and guaranteeing the Union's resilience. The capacity to adapt and address these issues will dictate the future direction of the EU and its position in the global arena. In conclusion, neo-functionalism offers a robust paradigm for comprehending the dynamics of European integration. Despite its shortcomings, the theory's fundamental assumptions remain pertinent in evaluating the dynamics of the EU. As the EU progresses, the concepts of spillover, elite socialization, and the influence of supranational institutions will be crucial in determining its future trajectory. The European integration process is ongoing, and the persistent application of neo-functionalist perspectives will be essential in addressing the forthcoming problems and opportunities.

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