Hochschule für
Wirtschaft und Recht Berlin
Berlin School of Economics and Law

Institute for International Political Economy Berlin

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Author: Olle Hansen

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Olle Hansen

Berlin School of Economics and Law

Abstract: The European Union (EU) emerged as a product and beneficiary of the Liberal International Order (LIO). Yet, as this order disintegrates, marked by multipolarity, thin multilateralism, and the return of power politics, the EU has taken unprecedented integrative steps, including joint debt issuance and development of industrial policy. Therefore, this paper asks how the shifting world order changes the logic of EU integration. Using a comparative discourse analysis of the EU's 2003 *European Security Strategy*, 2016 *Global Strategy*, and 2022 *Strategic Compass*, it traces how the logic of integration has shifted from being market-driven to being sovereignty-centred. The findings show that the order structure present during the EU's market-driven integration is no longer stable, prompting it to turn towards sovereignty-centred integration to respond to the disintegrating LIO. In doing so, this paper bridges mainstream integration theory with order theory, showing that not just internal dynamics but also order structure need to be accounted for to understand the logic of integration.

Key words: European integration; Liberal International Order; Sovereignty; Geopoliticization; Bellicism.

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Corresponding Author: Olle Hansen, olle.hansen01@gmail.com

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1. Introduction

The EU is a product and beneficiary of the Liberal International Order (LIO). For decades, the logic of EU integration rested on the assumption of a stable order, characterised by US hegemony, the rule of law and openness. But the LIO is now disintegrating, giving way to multipolarity, inefficient institutions, and the resurgence of realist power politics (Lake et. al., 2021). Surprisingly, instead of stalling, the EU has taken unprecedented integrative steps, such as joint debt issuance, coordinated arms deliveries to Ukraine, and joint defence industry investments. The fact that the EU has taken these steps under the disintegration of the LIO suggests that the shifting world order has changed the logic of EU integration, prompting the central question of this paper: *How does the disintegration of the LIO change the logic of EU integration?*

An abundance of literature has analysed the logic of integration in the EU, so much so that the Union is now considered a *sui generis* case, being different from any other actor. Scholars frequently line up with the mainstream theories of neofunctionalism and (new and liberal) intergovernmentalism. These theories have a commonality and accurately describe how early phases of integration were marked by economic interdependence (Haas, 1967; Moravcsik, 1993). However, scholars often neglect the relationship between integration and the world order, largely because these theories were developed before the disintegration of the LIO. Moreover, European studies largely separated itself from its origin in International Relations (IR) theories, prompting a focus on internal dynamics rather than analysing integration from a global perspective (Pollack, 2001). Moravcsik, for instance, ”stresses economic interest and relegates geopolitics to a secondary role” in integration (2013, pp. 774). While making a correct assessment of the logic of integration as economic interests, this paper argues that geopolitics, represented by the LIO, enabled this type of integration to take place. This global context has allowed the EU to integrate in its ”regulatory” tradition (Majone, 1997).

More recent scholarship departs from mainstream integration theory by rather focusing on external effects on integration. Kelemen and McNamara argue that the ”dominance of market-based motivations over security concerns”, allowed by the stable LIO, caused the EU to integrate unevenly, developing into a ”legal colossus” without any centralisation of coercive powers (2021, pp. 964). This paper argues that the disintegration of the LIO poses such a security threat. Indeed, the order that permitted the EU to focus on economic integration or ”low politics” is no longer stable, making the analysis of internal dynamics through spillovers and intergovernmentalism less relevant while the

incorporation of external effects on integration becomes increasingly valuable (Haroche, 2024; Lavery and Schmid, 2021; Rosamond, 2005, 2016).

Few articles have been devoted to exploring the direct relationship between the world order and EU integration. In doing so, this paper utilises more recent scholarship, allowing it to position integration into a global perspective. First, recent scholarship provides a more nuanced view on sovereignty in integration, no longer serving merely as a means for Eurosceptics or the primary constraint for Member States in EU-level negotiations, as intergovernmentalists argue, but instead considering it a means to address the challenges of the disintegrating LIO (Brack et. al., 2019; Fabbrini, 2022). Second, neofunctionalist analysis is complemented by ”external spillover”, where external effects on integration are seriously considered (Niemann, 2006). Third, the geopoliticisation of traditionally market-driven integration also serves to show why the EU is departing from market driven logics to a more strategic response to the disintegrating LIO (Haroche, 2024). While mainstream theories help reconstruct what the logic of integration was, contrasting this with more recent scholarship allows us to identify the change in integration logic. These factors are to be considered as channels through which the disintegrating LIO affects the logic of EU integration.

The EU is increasingly ”embracing” the reality of the disintegrating LIO (Costa et. al., 2023, pp. 11). This paper argues that the logic of EU integration is shifting toward a stronger emphasis on sovereignty in response to this changing international environment. This claim is supported by a comparative discourse analysis of EU strategic documents. In the 2003 *Security Strategy*, market-based integration and normative power were deemed appropriate to maintain the EU’s position in the world, emphasising ”flows of trade and investment” and ”the progressive spread of rule-of-law and democracy” (European Council, 2003, pp. 2, 4). In parallel with the gradual disintegration of the LIO, the logic has shifted. In the *Global Strategy* of 2016, the EU found itself ”under threat” (EUGS, 2016, pp. 7). This prompted the emphasis on ”strategic autonomy”, signalling a shift toward defence cooperation and the geopoliticisation of trade and interdependence. This logic is further consolidated in the *Strategic Compass* of 2022, which declares that interdependence has been ”weaponised” and acknowledges the erosion of the rules-based LIO and ”the return to power politics” (EEAS, 2022, pp. 2, 5). In line with the central argument of this paper, integration is now increasingly justified through sovereignty, marking a shift from regulatory, low-politics integration, primarily expressed through calls for ”capabilities” and ”autonomy” in defence and industrial policy.

This paper does not aim to determine how the EU intends to form its foreign policy as a response to the new world order, nor does it contribute to the vast literature on ”actorness” to assess whether the Union is fit to do so (Rhinard and Sjöstedt, 2019). This paper distinguishes itself from the debate about Europe as a ”normative power” (Manners, 2002) and ”global power” (Rogers, 2009), in the sense that it focuses on the integrative response rather than foreign policy aspirations. In doing so, this paper makes two core contributions. First, the disintegration of the LIO triggers a sovereignty-centred integration logic in the EU. Second, it shows that analysing EU integration requires consideration of structural changes in the world order for a complete understanding of its logic.

The analysis proceeds in four steps. First, it operationalises the disintegration of the LIO and outlines its characteristics. Second, it introduces neofunctionalism and (new and liberal) intergovernmentalism, demonstrating that the EU is a product and beneficiary of the LIO. Third, it incorporates more recent amendments to these theories, namely threat-driven integration, external spillover, and geopoliticisation, to account for a shifting world order. Fourth, to support the main argument, this paper adopts a comparative discourse analysis of three EU strategy documents: the *European Security Strategy* (2003), the *Global Strategy* (2016), and the *Strategic Compass* (2022). These strategies span over two world orders: the peak of the LIO and its disintegration. Finally, the conclusions of the paper are drawn.

2. The Disintegration of the Liberal International Order

The EU emerged and expanded within the LIO, a postwar system widely seen as the most successful in modern history, measured by economic prosperity, reduced physical conflict, and expanding liberal norms (Ikenberry, 2011). After the Cold War, the order globalised, and its institutions, once bound to the West, extended their reach across much of the world. Yet, since the early 2000s, the LIO has come under structural pressure. Scholars remain divided: some argue the LIO can be reformed to accommodate multipolarity (Ikenberry, 2018), while others insist the order is contingent on US unipolarity and cannot survive the erosion of Western dominance (Mearsheimer, 2019). This paper follows the latter view, considering the LIO, whose golden age lay in the 1990s, to have entered a phase of disintegration.

This section defines and operationalises the disintegration of the LIO as an independent variable. It argues that the world order today is no longer underpinned by the liberal consensus that previously

supported and enabled EU integration. Instead, three key structural transformations define the post-LIO world. First, a multipolar world with bounded orders is emerging. Second, liberal international institutions are ill-suited to a multipolar world, leading to a thinner international system and a retreat from multilateralism. Third, the return of realist power politics and sovereignty as a source of authority. Without mythicising the LIO (Allison, 2018) or contributing to the ongoing debate about the causes of its disintegration, this section merely seeks to outline the characteristics of the current order. These characteristics set the stage for Section 3, which will explore how they affect EU integration.

What defines the LIO?

World order refers to the set of institutions, norms and power configurations that structure integration among states. Orders are not global in reach by default; they may be bounded, as they are typically formed by and for a subset of member states. Their internal coherence depends on shared rules and norms, but their durability depends on hegemonic leadership (Mearsheimer, 2019). An order may also be categorised as "spontaneous" or "rule-based". Whereas the Cold War order was sustained by a spontaneous balance of power, the LIO was upheld by a system of rules and coordinated action of decision-makers as well as institutions (Lake et. al., 2021, pp. 228).

Orders combine different logics of power. Ikenberry (2011) offers a useful typology identifying three different logics of orders, incorporating different theoretical strands of IR theory: command (coercion), balance (power equilibrium), and consent (voluntary compliance) (see Table 1). The post-Cold War LIO reflected the logic of consent. The US no longer merely balanced against the Soviet Union (USSR), it attracted like-minded states through rules, institutions, and public goods, such as markets and security. Europe was a central beneficiary of this order. Shielded by the US security umbrella and integrated into a liberal economic and legal system, the EU could pursue deep integration in economic domains while relegating security and sovereignty concerns (Haroche, 2024).

Logic of Orders

	Balance	Command	Consent
Source of authority	State sovereignty	Material Power	Rule of law
Moral purpose	Preservation of autonomy	Interests of dominant states	Creation of public goods
Hierarchy / Nature of hierarchy	No / Great power coequals	Yes / Rulers and subjects	Sometimes / Leaders and followers

***Table 1**. Logic of Orders (Ikenberry, 2011)*

From unipolarity to multipolarity

The West's dominance of the world has weakened, and it is now clear that "the end of the Cold War produced a unipolar moment, not a unipolar era" (Allison, 2018, pp. 130). In its place, a fragmented multipolar world is emerging, marked not by one global order but by competing bounded spheres of influence. Since the LIO's golden age in the 1990s, global politics has become increasingly structured around loose blocs: the West, the East and the global South (Ikenberry, 2024). While these are not fully coherent orders, the failure of the West to universalise the LIO paved the way for a world shaped by rivalry rather than convergence.

Efforts to integrate China, now considered a "systemic rival" by the EU (EEAS, 2022, pp. 8), into the LIO, played a large role in multi-polarising the world order. Liberal theory was highly regarded during the late 1990s, and Ikenberry, in his magnum opus *After Victory* (2001), treated China's accession to the World Trade Organisation (WTO) as proof of liberalism's reach in integrating illiberal states. In contrast, Mearsheimer warned in the same year that containing China was vital to preserving the order. In fact, the integration of China into the LIO, the so-called *liberal bet*, which assumed economic interdependence would lead to political convergence, backfired. Today, it is clear that China's rise, being subsidised by the West, has reintroduced a balance-of-power logic in a multipolar political arena. Although the US maintains key material domains in terms of military supremacy and financial systems, its diplomatic influence has weakened. In parallel with China's rise as a systemic challenger to the US, emerging economies, particularly the BRICS, contribute to the decline of unipolarity (Babic, 2020).

Hence, it constitutes the first serious challenge to the hierarchical nature of the LIO since the fall of the USSR.

Even if illiberal states like China, Russia and India cannot form a cohesive bloc to replace the LIO, their presence erodes the coherence of a single global order, through multipolarity itself. What emerges instead is a patchwork of bounded regional orders, each reflecting different norms and priorities. Russia's revisionist view of former Soviet states is an example of this, expecting them to follow instructions made in Moscow. At the same time, the LIO continues to try to integrate these illiberal states. By definition, the LIO is open to new member states as it posits universal values and principles, yet plenty of states only accept these partially. Illiberal states tend to join human rights institutions while not subscribing to fundamental principles such as democracy, only to find themselves within the order to benefit from economic liberalism (Lake et. al., 2021). This pluralisation undermines liberal universalism and the international institutions representing its norms. It is therefore unrealistic to expect liberalism to remain universally applicable in a multipolar international order.

From institutional thickness to thin multilateralism

Disputers of the disintegration of the LIO argue that illiberal powers like China and Russia would be incentivised by transactional mutual benefits of a structured order to join and sustain the LIO (Ikenberry, 2018). Liberal institutionalists, like Keohane (1984), share this view, arguing that cooperation can persist even in an anarchic world. This occurs without hegemonic leadership, as states pursue their national self-interest. Consequently, states will together, albeit when ideologically disagreeing in fundamental ways about how the world should be structured, build international institutions to smooth and facilitate these economic transactions. This trend only intensifies as the world becomes more interdependent.

Keohane's argument, however, assumes institutions are ideologically neutral arenas of mutual gain. Moreover, the self-interest of states is not altered by great powers. This is not the case. Constructivists challenge this, correctly asserting that institutions reflect the values of dominant powers. Strange (1998) goes further, claiming that institutions are tools of "structural power" (pp. 25), shaped to maintain hegemony. As the balance of power shifts, so too does the logic of institutions. Meaning that the structure of the world order shapes international institutions, not vice versa. Importantly, illiberal powers are not simply integrating into institutions, they are reshaping them to reflect their own strategic interests (Costa et. al., 2023). Mearsheimer (2019) notes that, unlike the US, they have no

ideological project to export. These states favour command-driven orders that elevate sovereignty and material power over liberal norms, with influence determined by strength rather than rules (see Table 1).

The LIO is by definition open to new member states (Lake et. al., 2021, pp. 227), but as constructivists argue, this means the world view of emerging illiberal states will be reflected in its institutions. Thus, liberal international institutions are unable to survive the transition from a unipolar to a multipolar world, leading to a thin international order. Here, thin refers to institutions' weak ability to deal with economic and military domains (Mearsheimer, 2019, pp. 16). In this new reality, ad-hoc and voluntary cooperation is prevailing instead of binding norms being reinforced by liberal institutions.

This trend can already be seen in international institutions and the way in which states interact. International institutions have proven unfit for the multipolar world. The WTO, for instance, "has long been handicapped" in sorting out trade disputes (Lake et. al., 2021, pp. 244), primarily because the US does not believe it can enforce its rulings on China. Thin international institutions and a lack of trust in multilateralism also give way to zero-sum and neo-mercantilist logic. This allows for the weaponisation of interdependence, where dependencies are increasingly seen as vulnerabilities or part of security strategies (Costa et. al., 2023, pp. 6). The liberal norms provided by US hegemony are being challenged by increasingly transactional international relations, where commitment to institutional norms is replaced by short-term exchanges focused on immediate gains (Lake et. al., 2021).

Return of power politics and sovereignty as a source of authority

As illiberal powers gain influence over international institutions, they are reviving sovereignty as a core source of authority, challenging the LIO from within. China's calls for "absolute sovereignty" (Schuman et. al., 2023) signal a push to replace liberal norms with a realist logic of power. This resurgence is best understood through the lens of the Westphalian order, where sovereignty, not multilateral rules, defines legitimacy.

The LIO and the Westphalian order, which became established in the nineteenth century, overlap with each other but have a complicated relationship (Lake et. al., 2021). The Westphalian order and the LIO are similar in the sense that they protect the ultimate sovereignty and equality of states in the global arena, emphasising nonintervention and self-determination. The LIO adds liberal notions like open markets and universal human rights. In this regard, the LIO can be considered an infringement of the

Westphalian order. Consider, for instance, how states are subject to supranational criminal courts or how economic liberalism promoting efficient division of labour across nations stands in contrast with the absolute sovereignty of the Westphalian order. Börzel and Zürn (2021) go further, arguing that the post-Cold War LIO has gone beyond being rules-based to a rise in liberal authority to promote liberal rights, intruding on the nation-state and violating the Westphalian order. Similarly, others argue the LIO has caused the world to enter a ”post-Westphalian” order (Kreuder-Sonnen and Zangl, 2015).

We are now seeing a reversal of this trend, as Posner (2017) has argued that ”Westphalia has returned” (pp. 809). This is supported by China and Russia, although being unable to create an alternative international order, being clearly more comfortable with a Westphalian principled order, and working towards its resurgence (Lake et. al., 2021, pp. 241). These illiberal states oppose intervention and civil obligations like upholding human rights. Paris (2020) goes one step further, agreeing with Posner that Westphalia has returned, but specifies further how it caused sovereignty to become a source of authority. He disagrees with the argument that the type of sovereignty under the Westphalian order, which sought to establish an equal playing field for both weak and strong states, has returned. Instead, he argues there is a resurgence in ”extralegal” sovereignty, which holds that states are seeking to strengthen national autonomy and consequently their right to ”act outside the constraints of formal rules” (p. 458). Indeed, extralegal sovereignty ”appears to license powerful states to dominate others” (pp. 453). Paris found these traits of extralegal sovereignty in the rhetoric of Xi Jinping, Vladimir Putin and Donald Trump (first administration). Extralegal sovereignty represents a clear infringement of the rules-based LIO. Returning to Table 1, this reinforces the view that sovereignty is part of the justification of the disintegrating order. In brief, the LIO is not vanishing but disintegrating into a thinner, fragmented order (see Table 2 for a summary).

World Order Regimes

Period	Type of order	Primary Feature	International institutions
Cold War (1945 - 1990)	Bipolar	Realist balance-of-power	Thin
US Hegemony (1990 - 2008)	Unipolar	Universally ideologically driven	Thick
Disintegrating World Order (2008 - today)	Multipolar	Power politics and sovereignty as a source of authority	Thin

***Table 2**. World Order Regimes (table made by author)*

3. Theoretical Framework: Understanding the Logic of Integration

To understand how the disintegration of the LIO has changed the logic of EU integration, this section outlines theoretical tools used to identify and interpret those shifts in integration. The aim of this section is therefore twofold. First, Subsection 3.1 introduces two mainstream theories, (new and liberal) intergovernmentalism and neofunctionalism and their theoretical origins. These theories serve to show that integration was a product and beneficiary of the LIO. As will be seen, they correctly interpreted the integration that took place under the LIO. To account for the recent developments in integration under the disintegration of the LIO, Subsection 3.2 draws on more recent scholarship that emphasises threat-driven integration, external spillover, and geopoliticisation. These theories serve to complement mainstream theories to interpret integration under the new order. Together, these theories provide a toolbox for analysing the changing logic of integration, which will be applied to the empirical analysis in Section 4.

3.1 The EU as a Product and Beneficiary of the LIO

Mainstream theories, like neofunctionalism and intergovernmentalism, were developed in a stable world order. This paper does not claim these theories are necessarily contradictory or that they should combine into a ”grand theory” of integration. Instead, they both underpin the idea that the EU is a

product and beneficiary of the LIO. This subsection argues that both mainstream theories understand the LIO as embedded in and enabling integration.

Integration scholars have embraced Jean Monnet's idea that "Europe will be forged in crisis" (Monnet, 1978, pp. 417) and have thoroughly analysed how crises lead to integration (see, for instance, Börzel and Risse, 2018; Schimmelfennig, 2018; Fiott, 2023). While it is important to understand why the EU failed to integrate after the Schengen crisis and the Euro crisis led to further supranational transfers, analysing discrete crises neglects long-term structural changes. The disintegration of the LIO rather represents a "creeping crisis" (Boin et. al., 2021; Ferrera et. al., 2024; Rhinard, 2019), where there is no single triggering event or dramatic collapse, but rather a gradual challenge, shifting the logic of integration.

Integration theory as an IR subfield

The efforts to theorise European integration began as an IR subfield, concerned with the divide between intergovernmentalism and neofunctionalism. These two theories became, later on, limited to the European integration project, and were not generalised to international relations (Pollack, 2001). At the time, primarily during the 1980s and 90s, European integration was often tied to its transatlantic relationship. Europe's integrative steps were often connected to the continent being relieved of having to form a defence and security agenda, falling under the US's protection. Waltz (1979) and Mearsheimer (1990) argued that this enabled the EU to focus on integrating in economic areas, or low politics, and without the US's security umbrella, it would hinder integration.

As EU integration has advanced and gotten closer to state-building rather than regional integration, European integration has emerged as its own separate field. Moreover, the EU is treated as a special case, making the theories less applicable to general international studies. As these theories have diverged, integration theory is increasingly focusing on internal matters, such as economic interdependence, rather than external matters, like the world order (Lavery and Schmid, 2021; Rosamond, 2016). Rather, integration theory is overly concerned with internal dynamics and thus often relies on nationalism and Euroscepticism versus interest-based integration. The origins of neofunctionalism, for instance, have been described as an "alternate position to IR's dominant theoretical streams of the 1950s" (Rosamond, 2005, pp. 241). Haas (1967), who can be attributed to creating European studies as its own field, considered IR theory flawed and opposed the view that integration was merely driven by security interests and that states are in an anarchic environment.

Some attempts have been made to return to early integration theory and incorporate the world order as a deciding factor. Lavery and Schmid (2021) argued that integration theory should incorporate International Political Economy (IPE) theory to account for the shift in how the EU seeks autonomy in different world orders. These scholars convincingly argue that the nature of the world order affects the logic of European integration, hence illustrating that integration theory needs to be reconnected or, at the very least, better account for changes in external relations (Rosamond, 2016). This paper follows their arguments, in the sense that mainstream theories explain integration under the LIO well. Yet, they are less well equipped to understand how the world order affects integration.

Neofunctionalism

The integrative path of the EU has historically been one of economic interdependence. Foundational treaties such as the Treaty on the Functioning of the European Union (TFEU) emphasise the importance of establishing a common market and fostering convergence among Member States (TFEU, 2012, Article 3). In this manner, supranational institutions have often acted as competence maximisers, advancing integration in areas where they can offer technocratic solutions. Major integrative milestones, such as the introduction of the common currency, were driven by economic rationale and aligned with a global direction of liberalisation and regionalisation. The Lisbon strategy, which sought to remove internal supply-side barriers, was rooted in internal economic configurations to achieve competitiveness internationally (Lavery and Schmid, 2021). As Kelemen and McNamara (2021) argue, the EU's trajectory has primarily been one of market-making and the upgrading of economic interests, rather than responses to existential external threats.

Examining the major crises the EU has been exposed to, integrative outcomes have followed those that have been less politicised and more technical domains. The Euro and the Schengen-crisis, for instance, illustrate how identity politics hindered a joint external border response, whereas the technical nature of the Euro-crisis led to deepening of fiscal and financial integration (Börzel and Risse 2018; Schimmelfennig, 2018). The starting point of neofunctionalism thus aligns well with Majone's (1997) argument that European integration follows a regulatory pattern where the main task of the EU is the correction of market failures and embodies market competition. However, Haas (1967) goes further than Majone in the sense that he believes regulatory integration will spill over into positivist integration, playing a role in promoting public goods.

Haas posits that integration in one policy area creates pressure for further integration in adjacent areas, known as ”spill-over”. It assumes that technocratic issues in so-called ”low politics” domains, eventually incentivise or even necessitate cooperation in ”high politics”, for instance, foreign policy or fiscal policy. This can take the form of ”political” and ”functional” spillover. This suggests integration follows the logic of path-dependency, where the sequence is especially important since it begins with depoliticised domains. This arguably suggests the EU will become an ”ever-closer union”, yet the Schengen crisis demonstrated how spill-backs may occur (Schmitter and Lefkofridi, 2016). This limitation is largely because neofunctionalism tends to assume that integration enjoys political support, underestimating Eurosceptic backlash (Brack and Gürkan, 2020, p. 171).

The neofunctionalist assumption that integration begins in low politics and advances through spillover presupposes an international environment conducive to such cooperation. Neofunctionalists consider international relations to be formed out of the interests of societal actors rather than states, as neorealists would propose. This means integration is not driven by states’ interest to balance or protect the survival of the state (Hooghe and Marks, 2019). In this sense, neofunctionalism implicitly relies on the stability and predictability of the LIO, where open markets, institutionalised multilateralism, and liberal norms provide permissive conditions for integration. The regulatory phases of European integration were highly shaped by the Washington Consensus, for instance, which was part of the US-led world order (Ryner and Magnus, 2017). All of this has supported the market-driven integration of the EU, being categorised as low politics.

With a relative absence of geopolitical threats and encouragement of economic interdependence, the EU could focus on regulatory deepening without confronting the high-politics of sovereignty or security (Kelemen and McNamara, 2021). However, this logic becomes insufficient for explaining why and how integration has proceeded in high politics domains such as defence cooperation and sanctions, all of which gained momentum throughout the disintegration of the LIO in the last two decades. These developments suggest that integration is also shaped by external pressures of a shifting world order, not just internal dynamics.

Liberal Intergovernmentalism

Liberal intergovernmentalism, as theorised by Moravcsik (1993), argues that Member States integrate when it aligns with their national interests, particularly when such goals are believed to be more

effectively achieved at the European level. States weigh the costs and benefits of cooperation and proceed when profitable. Therefore, integration is state-led and rooted in domestic politics.

In exploring the relationship between crisis and integration, scholars often distinguish between external and internal crises. Crises that emerge from outside the EU are sometimes seen as destabilising rather than integrative, particularly in a heterogeneous Union with diverging national interests. Börzel and Risse (2018), for instance, argue that the Euro crisis prompted a European-level solution because it was an ”order” problem, relating to the internal functioning of the EU. In contrast, the Schengen crisis, perceived as a ”border” problem, driven by external migration, did not result in significant supranational advances. This reinforced the view that internal crises are more conducive to integration than external ones.

This idea that the EU integrates despite external shocks, not because of them, deserves scrutiny, particularly because it relies on the belief that external events fragment the EU by revealing heterogeneity. Indeed, integration theory often assumes that external crises inherently exacerbate divergence. To both neofunctionalists and intergovernmentalists, it is essential that the interests of the Member States align to enable integration. This is problematic for integration because as shown, the EU struggles to agree on external issues to a larger extent than internal ones. Moreover, neofunctionalists argue that when the interests of one Member state align better with third countries or when their exchange supersedes those with Member states, the Member state should be less inclined to integrate (Brack and Gürkan, 2020, p. 183). This is compounded by the asymmetrical effects of external shocks. Hooghe and Marks (2019) argue that asymmetries may cause a heterogeneous reaction or a lower interest in raising issues to a European level. Moreover, Höpner and Schäfer (2012) explain through empirical data that heterogeneity leads to results where integration only reaches the lowest common denominator of interest. This shows that both mainstream theories, to a large extent, neglect external factors, which was possible during the LIO but not under its disintegration.

Moravcsik was always sceptical of the argument that geopolitics would have shaped integration throughout the LIO, and even today. He contends that the realist arguments that European integration was a case of balancing against the USSR and the US. Instead, he ”stresses economic interest and relegates geopolitics to a secondary role” (2013, pp. 774). This remained true under the LIO, but deserves scrutiny under its disintegration. The stable order enabled the EU to be able to focus on economic integration, rather than the centralisation of fiscal and coercive powers. With this in mind, it

is no wonder that integration theory separated from IR theory, and started to categorise the EU as a *sui generis* case of integration. Put differently, as integration has been market-driven, benefiting from a stable and liberal order, there has been little imperative to consider how integration is continuing in relation to geopolitics.

Liberal intergovernmentalism, while emphasising state-led integration and preference formation rooted in domestic policy, also rests on the implicit assumption of a relatively stable and liberal world order. The theory assumes that national preferences are formed in a context where external conditions, such as security guarantees, are sufficiently predictable to allow Member States to focus primarily on internal economic and political considerations. Hence, the domestic or internal focus of intergovernmentalism, in general, is not necessarily misplaced, but rather fails to account for the shifting world order, which has a profound effect on integration (Rosamond, 2016).

New Intergovernmentalism

The Maastricht Treaty of 1990 posed a challenge to liberal intergovernmentalists. It marked deeper cooperation but without a subsequent transfer of power to supranational institutions. This prompted the development of new intergovernmentalism, which argues that integration can occur without empowering supranational institutions (Puetter, 2014). Indeed, according to this theory, Member States constantly prefer to withhold sovereignty as opposed to delegating powers to supranational bodies. In fact, new intergovernmentalism suggests the EU entered a state of disequilibrium after the Treaty of Maastricht. While liberal intergovernmentalists argue that the Maastricht Treaty struck a balance between national and supranational actors, new intergovernmentalists contend that Member States increasingly resist transferring authority and that the delegation of power has not been fully legitimised among the Member States (Brack and Gürkan, 2020, p. 138).

This belief goes in line with empirical research. Börzel (2023) distinguishes integration as supranational pooling or upgrading of common interests in an intergovernmental manner. When examining the Russian full-scale invasion of Ukraine, she finds that it enabled the upgrading of common interests rather than delegating more powers to supranational institutions. This is shown through the sanction packages, while common investments in defence were neglected, at least immediately after the invasion. One must also consider the willingness of the EU Commission to take over supranational responsibility. New intergovernmentalists argue the Commission has been more wary of highly politicised policy areas since the Maastricht Treaty (Brack and Gürkan, 2020, p. 138).

This is partly because of Eurosceptic backlash but also because some issues cannot be ”Europeanised” as they are too politicised domestically, consider the Schengen-crisis for instance (Capati, 2025).

However, the assumption that Member States consistently avoid delegating sovereignty to supranational institutions underestimates the EU’s trajectory under the disintegration of the LIO. While new intergovernmentalism is right to point out a reluctance, it overlooks how crises have repeatedly pushed governments to break with this reluctance. The EU’s joint debt issuance during the COVID-19 pandemic, the Commission’s role in procuring vaccines, and coordinated energy security policy challenge the argument of a rigid sovereignty disequilibrium. Thus, new intergovernmentalism risks overstating the long-term reluctance for Member States to pool supranational power, particularly in a disintegrating LIO, as the next subsection will outline.

3.2 Integration in a Shifting World Order

Having established that mainstream theory indirectly argues the EU was historically enabled by the LIO, this subsection introduces recent theoretical amendments that better capture how the new geopolitical environment affects the logic of integration. The core argument is that the disintegrating LIO prompts a shift toward sovereignty-centred integration. The framework introduced here, threat-driven integration, external spillover, and geopoliticisation, serve as analytical channels through which the new order reshapes integration. Unlike mainstream theories rooted in internal, market-driven dynamics, these approaches emphasise external pressures and are thus better suited to explain integration in today’s fragmented world.

Sovereignty-centred integration

As this paper suggests, the disintegrating LIO causes a shift in the logic of integration to become more sovereignty-centred, it is important to be precise about what sovereignty is. While sovereignty is a contested concept, ranging in EU political discourse from ”European sovereignty” to (open) ”strategic autonomy” (The Economist, 2021), this paper considers it to be the capability of the EU to collectively exercise control over strategic decisions. In this sense, autonomy is treated as an expression of sovereignty. Under the LIO, integration was primarily market-driven and regulatory, and sovereignty was often downplayed in favour of interdependence and liberal norms. This resulted in the dominance of a regulatory state model (Majone, 1997). In contrast, under the disintegrating LIO, sovereignty has re-emerged to be an explicit goal of integration, pursued through ”positivist” means, meaning high

politics integration, to address the transformations in the world order, which the regulatory state could not adapt to.

The EU's aspiration for sovereignty is not new; it has long sought autonomy, often through alignment with the US (Lavery and Schmid, 2021). Market-driven integration was part of this aim.
However, as outlined in Section 2, the weaponisation of interdependence and the thinning of international institutions have exposed the limits of this approach. In today's fragmented order, securing sovereignty requires more than market powers; it increasingly involves coercive capabilities. A sovereignty-centred integration logic thus reflects the EU's need to maintain agency in a world where realist power politics and extralegal sovereignty shape international interactions.

The resurgence of extralegal sovereignty, where great powers increasingly act outside institutional constraints and justify authority through material power, reshapes the geopolitical context in which the EU has to operate. While the EU remains committed to multilateralism and liberal norms, it navigates this new context by securing the capacity to act independently of other powers. Sovereignty-centred integration reflects this shift, not as a welcoming of power politics, but as a strategic response to it. Put differently, the EU does not seek to retaliate against the resurgence of realist logic in the disintegrating LIO, but to remain strategically autonomous in it. As Waltz (1979) argued, states tend to imitate successful approaches of other states.

Sovereignty holds a paradoxical position in integration theory. On the one hand, sovereignty serves as a cry for eurosceptic and nationalist movements opposed to supranational authority. On the other hand, it is increasingly invoked in favour of deeper integration (Fabbrini, 2022), especially in the face of a shifting world order. This is clearly exemplified through concepts like ”strategic autonomy”, one of French President Macron's initiatives, which reflects a strategic response to an increasingly realist and multipolar world (Macron, 2017). In this new context, integration is rearranged not as a relinquishing of sovereignty, but as a means of gaining collective power through supranational means. Roch and Oleart (2024), for instance, find that sovereignty is increasingly being used among pro EU executive actors, finding that France gives way to a mainstreaming of European sovereignty.

Yet despite this development, mainstream integration theories have largely failed to update their treatment of sovereignty in light of external geopolitical shifts. New intergovernmentalism, for instance, assumes Member States are reluctant to pool sovereignty and therefore favour

intergovernmental coordination over supranational power transfers, especially post-Maastricht (Puetter, 2014). Although some scholars have examined the conditions under which sovereignty is pooled despite Member States' reluctance (Brack et. al., 2019, for instance), they often stop short of considering external geopolitical pressures. Similarly, neofunctionalism mostly considers low politics and assumes it will spill over to high politics, hence, the clash between nationalism and sovereignty is not really considered (Brack and Gürkan, 2020, p. 76). As previously stated, neofunctionalism tends to overlook the counter-effects of Euroscepticism and nationalism. Haas (1967) even to some extent equated nationalism with European supranationalism as Europeans would see a uniting Europe as the best way to achieve economic prosperity.

As such, integration may no longer be seen as a zero-sum game between Brussels and national capitals trying to preserve national sovereignty. Rather, it is increasingly becoming a means of preserving European autonomy in a more realist and multipolar order. Thus, integration theories' outdated understanding of sovereignty limits itself to explaining the integrative logic of the EU that arises in response to the shifting world order.

External threats prompting integration

Sovereignty-centred integration is prompted by external factors, yet mainstream theories fail to capture these. Whereas neofunctionalists consider how integration starts with low politics, intergovernmentalists focus on the domestic conditions of Member States to trace what policy domains might be raised to a European level. On the other side, so-called ”bellicist” theorists Kelemen and McNamara (2021) argue that the EU needs an external threat to stimulate integration in a sovereign manner. Utilising state-building theory, they suggest that the absence of existential external threats has hindered the EU from developing into a political union with supranational institutions in high-politics domains. Historically, state-building has taken place when both market and security-driven integration are present. For the EU, only the former has been the focus of integration. This has led integration to become ”imbalanced” and ”incomplete”, effectively prioritising the regulatory state over coercive powers, such as joint fiscal policy or defence. As a creeping crisis, this paper considers the disintegration of the LIO to be such a security threat, through material power assertiveness and rising geopolitical rivalry.

Genschel (2022) tests this claim in the context of the war in Ukraine, widely viewed as a geopolitical shock to the EU's security and part of the disintegration of the LIO. His findings, however, contend

with the assumption that external threats drive supranational integration. Instead, the EU response has been largely (new) intergovernmental, with no meaningful transfer of power to the Commission.
This supports the view that crises may foster coordination but not necessarily deeper integration. Genschel thus calls for a clearer conceptual separation between state-building theory and integration theory. While Genschel is right to point out that there was no significant transfer of power to supranational institutions immediately after the Russian invasion, the action that Member States took together was a step toward more sovereignty. Håkansson (2024) points out that the foreign and defence policy has always held a weak position in the EU and was considered unlikely to become an EU competency. Yet, the EU issued numerous sanction packages and broke the taboo of using the European Defence Fund for sending lethal weapons to Ukraine, for instance. Although not a direct supranational transfer, EU institutions are used for coercive reasons, and therefore, these developments should be considered integrative steps in the direction of sovereignty. Indeed,
Håkansson even argues that these are signs of the weakening of intergovernmentalist integration.

Freudlsperger and Schimmelfennig (2022) take a similar stance to Håkansson, as they argue integration can take place without external threats but only in the regulatory tradition as described by Majone (1997). Meaning, the integration that takes place in the absence of external effects is a market-driven one, emphasising internal economic interests. This intermediate view, by
Freudlsperger and Schimmelfennig, reinforce the view that the distinction between high and low politics is overstated and that integration may begin with high politics, as opposed to what neofunctionalists hold. This supports the argument that the EU followed traditional regulatory or market-driven integration throughout the bounded unipolar order and the LIO's golden age, because there was a lack of external threats. As the LIO began to disintegrate, constituting a creeping crisis, in combination with foreign threats like the full-scale invasion of Ukraine, it enabled integration to start from high politics rather than the other way around. Hence, giving way for a more sovereignty-centred integration.

External spillover and Geopoliticisation

As the LIO erodes, the assumption that economic interdependence will naturally produce further integration becomes less tenable. As shown, neofunctionalism hinges on this assumption. In an increasingly realist and multipolar world, economic logic alone is insufficient to explain the trajectory of integration; instead, security and handling of external issues become increasingly important. Haas (1967) developed his theory in a relatively stable time, and although he theorised a general theory

applicable globally, he considered the European integration process as something detached from the outside world. In contrast, Niemann (2006) argues that there is external spill-over, where competition with international blocs incentivises integration (p. 33). In a similar manner, Schmitter (2016) argues the EU was incentivised to find common solutions and pool capabilities during the technological race during the Cold War.

More specifically, Niemann (2006) finds three drivers behind external spill-over. First, an external crisis which is perceived as a threat, which connects to Kelemen and McNamara's (2021) argument that external threats are needed for state-building. Second, he finds that regions seek integration to prepare for international phenomena, such as migration and globalisation. Third, building on Schmitter's (2016) argument, regions will tend to integrate to build up bargaining power vis-à-vis third countries. This is largely in line with the neorealist argument that behaviour is shaped by the competitive environment of the world (Waltz, 1979). Thus, Niemann and Schmitter revised neofunctionalist integration theory to seriously account for external effects.

Building on external spillover, ”geopoliticisation” describes the growing overlap between economic and security logics in the disintegrating LIO. Particularly, how the EU uses trade, regulation, and industrial policy to pursue strategic goals. Haroche (2024) defines geoeconomic policy as relative gains for country A over B, where A increases or preserves its power over country B, which strongly resonates with the resurgence of power politics, seen in Section 2. Hence, geopoliticisation expresses how the EU's most important power lies in normative and market power, but that these are less useful in a world where ”civilian” or ”normal” power is weaponised. Geopoliticisation is a response to two key aspects of the disintegrating LIO: the weaponisation of interdependence and the retreat of multilateralism. As liberal institutions like the WTO lose effectiveness and international cooperation becomes increasingly transactional, the EU chooses to defend its interests through strategic means. This has led to what is often referred to as the EU's ”geoeconomic turn”, whereby markets and trade are used as tools to reduce dependencies and assert sovereignty (Haroche, 2023, 2024). An obvious example of this is the EU's anti-coercion instrument from 2023, which acts as a trade deterrent against unfair trade practices of third countries, including countermeasures such as restrictions on funding and investments (European Parliament, 2023).

This logic contrasts sharply with the regulatory approach that dominated under the LIO. Fiott (2024) argues that the EU is shifting away from the regulatory state toward a more interventionist economic model. This includes a more vertical approach to supporting industries with resources. Similarly, Cadier (2018) argued that a non-geopolitical policy, the EU's Eastern Partnership, was geopoliticised by third countries' external understanding of the policy. This supports the broader argument that external pressures from a disintegrating LIO increasingly drive integration. Indeed, geopoliticisation primarily affects EU competences, such as trade and markets, to shift in the direction of high politics, meaning security and foreign policy.

Theoretically, geopoliticisation therefore fills a gap left by mainstream theories in relation to world orders. Geopoliticisation suggests that external geopolitical pressures, characteristic of the disintegrating LIO, alter the cost-benefit calculation of Member States, making them more willing to integrate in high-politics domains such as defence, energy security, and technology. This constitutes a step toward sovereignty-centred integration, as the geopoliticisation of traditionally regulatory policy is prompted to project and protect collective autonomy in a more hostile environment. More weight is given to the Commission on international security issues, and it builds capabilities to act in terms of foreign policy (Håkansson, 2024). Hence, geopoliticisation becomes useful to understand why the EU is taking these unprecedented integrative steps into high-politics domains under the disintegrating LIO.

4. Autonomy in the Post-Liberal Order: A Case Study in Order-driven Integration

4.1 Discourse Analysis of EU Strategy Documents

So far, this paper has argued that the LIO has entered a phase of disintegration, prompting a return to realist logics of power and security, outweighing interdependence. Within this context, the EU faces a transformed external environment in which its logic for integration has been reconsidered. Using the operationalization of the LIO and the theoretical framework showing how EU integration is shaped by the character of the world order, the following discourse analysis examines how the logic has changed in response to the LIO's decline empirically. To trace this shift, this section compares three key EU strategy documents: the *European Security Strategy* (2003), the *Global Strategy* (2016), and the *Strategic Compass* (2022). These strategy texts are especially useful in their temporal comparability. Because the strategies are adopted by consensus among Member States, they carry structural weight

and reflect a broadly endorsed logic of integration. Thus, these texts do more than set foreign policy goals. They articulate what kind of power the EU aspires to be, thereby revealing how a shifting world order shapes both the direction and the justification of integration. As new threats, dependencies and constraints emerge, so too do new integrative ambitions.

The analytical process draws on Hansen and Sørensen's concept of the *discursive polity*, as adopted by Rogers (2009), to explore how integration logics are formed at the EU level. It focuses on EU-level discourse rather than Member State positions, aligning with Roger's view of EU discourse as a top-down process (pp. 834). Logic is understood not as policy outcomes, but as the framework of meaning that shapes political action. While policy analysis might reflect reactions to external events, discourse analysis can uncover the intent and logic underpinning integration. Hence, as Paris (2020) suggests, discourse of institutions or decision-makers "does not presuppose a successful, or robust, outcome", but rather "to present these concepts as legitimate understanding" (pp. 464).

The analysis follows an inductive approach in two separate dimensions: the perception of the world order and the framing of the EU's integration logic (see Table 3 for an overview). The first dimension assesses whether the disintegrating LIO is reflected in the strategies. The second dimension traces how the logic of integration is framed and reasoned in relation to the shifting world order. In each document, recurring words and expressions associated with one of the analytical dimensions are identified. These were then coded with descriptive labels, tracing how particular ideas were framed, such as "interdependence" being depicted as advancing liberal values or being weaponised. Frequency and to what extent the words informed the rest of the paragraph or text decided whether words and phrases were coded. Subsequently, they are clustered into broader categories corresponding with the two analytical dimensions. Only after these clusters are found, they are related to the theoretical framework for interpretation of how the shifting EU discourse reflects the shifting world order and how it relates to the logic of integration (see Table 3 for examples).

Discourse Analysis Overview

Analytical dimension	Example codes (recurring terms in the strategies)	Clustered category	Analysis
Perception of world order	”multilateralism”, ”interdependence”, ”rules-based order”	Stable LIO	Intact and advancing order
	“reform”, “good-governance”	Eroding world order	Eroding LIO; reform over preservation
	”threats”, ”dependencies”, ”power politics”, ”instability”	Disintegrated world order	Return of power politics; interdependence and soft power weaponised
Framing of integration logic	”norms”, ”trade”	Regulatory and normative instruments	Normative, market-driven integration
	”strategic autonomy”, ”resilience”	Strategic repurposing of traditional tools	Hybrid logic: autonomy within multilateralism
	”capabilities”, ”defense”, ”sovereignty”	Joint capability development	Sovereignty-centred; security-driven integration

Table 3. *Discourse Analysis (table made by author)*

European Security Strategy (2003)

The *European Security Strategy* from December 2003 was developed in a relatively stable world, when the LIO was still intact. The strategy, being the first of its kind, held the optimistic view that the world was further integrating into the LIO, where the ”spread of the rule of law and democracy has seen authoritarian regimes change into secure, stable and dynamic democracies” (European Council, 2003, pp. 3). The prevailing order was furthermore attributed to ”increasingly open borders” (pp. 4). The *liberal bet* was alive and well, as the EU supported China’s entry into the WTO and further cooperation with Russia, which had already joined in 2021. This reflected the dominant belief about

interdependence, that ”Wandel durch Handel” (change through trade) could liberalise illiberal states and include them in the international order. Illiberal states would then start integrating by accepting economic liberalism, which would then spill over into political liberalism and liberal institutionalism (Lake et. al., 2021, pp. 230). The strategy focuses on the bounded transatlantic order as the most appropriate means for promoting the international order; ”the transatlantic relationship is irreplaceable” (European Council, 2003, pp. 15). Here, NATO is its primary instrument, suggesting that capabilities should be pooled within this arrangement, relegating EU common defence to UN missions and humanitarian needs in third countries. The strategy also addresses challenges to the order, for instance, how interdependence could be used as a threat: ”others have perceived globalisation as a cause of frustration and injustice” (pp. 5). This, however, emphasises that this view is one of *others*, but not shared by the EU.

The document identifies threats, yet notes that none of them are of a military nature since the end of the Cold War. It primarily suggests three categories of how to address them effectively: good governance, economic cooperation and multilateralism. It holds that promoting good governance in the EU’s neighbourhood is required to uphold security in the region. ”Fostering democracy”, ”supporting social and political reform”, and ”promoting human rights” are repeated in this regard. Economic cooperation is noted as a way of upholding the international order, and even ”promote reform” (pp. 12). This overall strategy is aimed at maintaining multilateralism, working as a barrier against ”abuse of power” and working to integrate those who ”placed themselves outside the bounds of international society” (pp. 12). Security is framed not as a sovereignty concern, but as a product of openness and interdependence under the LIO.

The 2003 strategy reflects a logic of integration grounded in the stability of the LIO. The world is seen as converging around liberal norms, with democracy and the rule of law expanding and interdependence deepening. In this context, the EU presents itself as a normative and regulatory power, and integration is largely justified as a way to enhance its internal coherence and external stability projection through traditional tools, like trade, good governance, and multilateral diplomacy. Although the strategy mentions ”military and civilian capabilities”, these are linked to crisis management and humanitarian intervention, not to autonomous power projection or sovereignty-enhancing capacity. Integration is limited to low-politics domains such as markets and regulation, in line with neofunctionalist expectations that the EU advances in depoliticised areas. The emphasis on coherence

and coordination in foreign policy, rather than centralisation, also supports the intergovernmentalist interpretation, suggesting Member States remain in control and retain national sovereignty.

This reflects the liberal assumption of the early 2000s, echoed by Ikenberry (2001), that the world was becoming increasingly rules-based and stable. The EU's role was to deepen integration where it already held competence, not to expand into hard power or sovereign domains. The Euro had recently been introduced, and there were high expectations about the EU's influence through soft power and market integration. Moreover, the Lisbon strategy underpinned the understanding that internal market integration could enhance its autonomy, in a world which converged around increasing interdependence and faith in multilateral liberal institutions (Lavery and Schmid, 2021, pp. 1329). In brief, the 2003 strategy sees further integration as a means of reinforcing the LIO, not adapting to its breakdown, and therefore remains firmly rooted in traditional, normative, and market-driven forms of integration.

Global Strategy (2016)

The *Global Strategy* of 2016 was adopted during a period of mounting instability in the LIO. While the election of President Trump cast doubt on the future of the transatlantic alliance (Börzel and Risse, 2024), Russia's annexation of Crimea and China's rising global influence signaled the erosion of the LIO. The strategy reflects this uncertainty: it warns ”our Union is under threat” (EUGS, 2016, pp. 7), marking a discursive shift from the optimistic tone of the 2003 strategy. While the EU's global role is still defined largely in liberal terms, supporting multilateralism, democracy and good governance, the 2016 strategy signals an inflexion point. It suggests reform is needed to the order, ”rather than to simply preserve the existing system” (pp. 10).

Crucially, the *Global Strategy* introduces the concept of ”strategic autonomy”. While still loosely defined and criticised for lack of concreteness, strategic autonomy begins to reframe the logic of integration: no longer simply to promote norms externally using traditional market-driven and normative instruments, but to build capabilities in response to an increasingly hostile world order. Strategic autonomy is not new; Helwig and Sinkkonen (2022) argue that there have been four waves of calling for it, stretching back to the 1990s. Yet, only during the structural insecurity and great power rivalry under the disintegrating LIO did it receive proper attention and Member State support (Lavery et. al., 2022). Rather than connecting autonomy to unity or simply decision-making processes, it is connected to *capabilities*, such as an ”innovative and competitive defence industry” (EUGS, 2016, pp.

46). This shows a tendency to enter integration domains which have been left untouched under the high point of the LIO, namely, defence and industrial policy. Autonomy, in this context, is increasingly tied to sovereignty, as defined by this paper, meaning the capacity to act independently within the new world order.

The strategy hints at external spillover as the EU's perception of growing vulnerabilities, such as energy dependence, is framed not just as foreign policy issues, but as triggers for integration. Similarly, there are early signs of geopoliticisation, where the transformation of previously technocratic low-politics policy domains is becoming an instrument of power politics. The strategy still employs the language of the liberal order, but it begins to reconceptualise tools like trade, energy and technological standards as means of securing geopolitical influence. This is a shift away from the regulatory logic of integration toward a logic where capabilities and autonomy matter more. Merely holding a large share of the world economy is no longer perceived as sufficient in an order where sovereignty and material power are increasingly central to authority.

The strategy marks the beginning of the EU's reorientation of integration logic, constituting a hybrid logic of autonomy within multilateralism. It retains the outward commitment of the LIO and its principles while implicitly hedging against its disintegration. Strategic autonomy, still in its early form, introduces a sovereignty-adjacent logic of integration, one that would become more clearly articulated and material in the *Strategic Compass* of 2022.

Strategic Compass (2022)

While the interval between the *European Security Strategy* and the *Global Strategy* marked a slow transition in the EU's view of the world order, the *Strategic Compass* of 2022 reflects a decisive discourse shift. It signals that the disintegration of the LIO has accelerated in the past decade. China openly contested the rules-based order and Russia's invasion of Ukraine accelerated the regionalisation of the world. The Compass breaks more clearly than its predecessors with the liberal assumptions underpinning earlier EU strategies. It articulates a changed integration logic that centres on sovereignty and capability, not just interdependence and liberal norms. That said, the Compass builds upon and intensifies the turn introduced in 2016. Strategic autonomy, first framed in the *Global Strategy*, is now linked directly to material power and resilience.

The Compass largely acknowledge the end of the stable, rules-based world order envisioned in 2003. It diagnoses ”growing geopolitical competition” and describes multilateralism as increasingly ”transactional” (EEAS, 2022, pp. 9, pp. 5). The return of ”power politics” is described as ”the most significant change in international relations” (pp. 5). While the strategy affirms the EU’s normative preferences, multilateralism, openness and interdependence, much like the first strategy, it undercuts them by stating that the features have become ”conflictual” and ”weaponised” (pp. 2). In this context, the self-perception of the EU is shifting. The strategy positions the EU as a ”security provider”, which is a large step from the mere promoter of good governance and democracy in 2003. It considers China’s attempts to create its own bounded order as something that will ”mark the rest of the century” (pp. 8), expressing worry that it might contradict the rules-based order and liberal norms.

The strategic repositioning reflects the broader transformation of the order described in Section 2. Interdependence no longer guarantees stability. Rather, it is used by great powers to exert leverage and advance narrow interests, as Mearsheimer’s (2019) realist account of the LIO’s disintegration explains. This development undercuts the foundations of EU soft power, which depended on the efficient functioning of multilateral institutions and liberal norms (Brack et. al., 2019; Lake et. al., 2021). The notion of ”sovereignty” itself has changed meaning in the global arena; rather than shielding weaker states from stronger ones, it is now framed as a source of power and authority, something which prompts the EU to recover through integration.

This is particularly shown through the strategy stressing the EU’s lack of ”capabilities” and calls for a ”quantum leap” in building them (EEAS, 2022, pp. 2). In this strategy, capabilities refer primarily to military readiness, defence production, technological innovation, and removing dependencies. These are not neutral technical goals which enhance the internal markets or any traditional competences of the EU, rather, it is directly tied to the ability to act independently in a more insecure world order. Thus, capabilities are not the end in themselves, but a condition for sovereignty as previously defined by this paper. It sets out concrete goals: joint investments in defence, increasing ”technological sovereignty” (pp. 30), reducing industrial dependencies, and developing an integrated European defence industry. These are forms of high-politics integration that go far beyond the regulatory mode dominant under the LIO.

This shift is in line with what Kelemen and McNamara (2021) describe as a ”collective security imperative”, prompted primarily by the Russian invasion of Ukraine (2022). The invasion in itself is a

part of and represents the disintegrating LIO (Costa et. al., 2023). In this view, it generates a critical juncture where sovereignty and threat perception override market-driven logic. The Compass presents this logic of integration as a necessary response to the more hostile international environment, ”an era of strategic competition and complex security threats” (EEAS, 2022, pp. 5). The ”unprecedented resolve to restore peace in Europe” (pp. 2) through supporting Ukraine has resulted in 17 sanction packages against Russia. Moreover, the EU suspended regulatory measures such as the *Stability and Growth Pact* and *State Aid Rules*, in favour of Member States investing in defence. Genschel argues this is EU ”regulatory-restraint” rather than actual capacity building (2022). Yet, when contrasted with the capabilities which were suggested in the 2003 strategy, these measures still constitute major steps towards sovereignty-centred integration. Especially when considering the recent proposal, *Security Action for Europe*, involving 150€ billion of joint funding towards defence procurement (COM, 2025). Hence, when analysing the LIO as one long-term creeping crisis, rather than looking at outcomes of discrete crises, it becomes clear that the insecurity brought by the disintegrating LIO prompts threat-driven integration.

Similarly, the geopoliticisation of market integration and external spillover act as channels through which the LIO affects the logic of integration. Integration is no longer primarily justified by efficiency or interdependence but by a ”strategic course of action” (EEAS, 2022, pp. 2). Market openness, once celebrated, is now framed as a vulnerability. Economic tools, previously deployed to create interdependence and further integrate illiberal states into the LIO, are now geared toward protection and power projection. This is clearly seen in the wording around supply chains. Rather than speaking of openness, this strategy is concerned with the ”security” and ”resilience” of supply chains. As geopolitical competitors are ”challenging our supply chains and access to resources” (pp. 34), the EU shifts from being a market-enhancer to promoting industrial policy (Di Carlo and Schmitz, 2023). This takes form in vertical investments and targeted resourcing of specific industries, namely defence and new technologies, rather than the traditional horizontal approach of the Commission. Neofunctionalist spillover alone cannot account for this integration, at least not under the disintegrating LIO. One must additionally consider the geopoliticisation of technology and markets, primarily in relation to China. Under the LIO, where the rules-based order is eroding, China is a ”systemic rival”, where economic openness and reciprocity are less likely to be facilitated by multilateral institutions, which China disregards and rather ”seeks to promote globally its own standards” (pp. 8).

As argued in Section 3, the shifting world order represents a qualitative shift. While neofunctionalists anticipated that functional spillover might lead to political integration, the current path is better explained by external spillover and geopoliticisation. This may have been different if the conditions of the LIO were still prevalent. But as external spillover holds, the EU's energy dependence, fragile supply chains, and relative technological decline are framed by the strategy not merely as challenges, but as drivers of deeper integration. These dynamics again support a sovereignty-centred logic: integration as a response to an increasingly hostile world.

At the same time, the Compass does not advocate for decoupling or autonomy from the US, supporting the idea of the EU seeking autonomy through alignment as suggested in Section 2 (Costa et. al., 2023). Rather, the EU maintains its transatlantic bounded order, primarily through emphasising NATO cooperation. Indeed, the EU does not seriously seek to challenge the security responsibility of NATO (Genschel, 2022). The long-standing debate between ”Atlanticists” and ”Europeanists” is far from finished, but neither strategy disproves or works against the logic of sovereignty-centred integration.

5. Conclusions

Mainstream theories, especially neofunctionalism and intergovernmentalism, have explained EU integration as a largely internal, market-driven and regulatory sort of integration. While these theories captured the prevailing logic under stable liberal conditions in the world, they underappreciate the extent to which this logic was enabled by the supportive environment of the LIO. These theories illustrate how the EU's ability to integrate through rules, norms, and markets depended on a secure international order. In the absence of that order, the logic of integration can no longer rely solely on economic and regulatory tools.

Recent scholarship has begun to fill this gap by introducing concepts such as threat-driven integration, geopoliticisation and external spillover. These approaches situate integration within a world of strategic rivalry and structural insecurity. By incorporating these theoretical perspectives and connecting them to the world order, this paper has shown how the EU's strategic documents increasingly reflect a sovereignty-centred logic, one in which integration is framed as necessary to ensure the Union's capacity to act autonomously in an increasingly hostile order. Hence, the EU is accepting that a new order is being formed and attempting to adapt to it. This could have deep implications for the future of integration. It suggests the EU seeks a path to complement the traditional

regulatory state and market-driven integration with high-politics domains, effectively addressing what Kelemen and McNamara (2021) called the imbalance of integration.

That said, this paper by no means argues that it is the sole force of change to integration. But as stated, the LIO is an integral part of integration and therefore its future absence poses a great risk to the EU. Hence, for future research, this paper invites greater attention to the global context as a driver of EU integration. While much of the literature remains focused on internal dynamics or episodic crisis responses, effectively insulating integration from the international environment, the findings here suggest the world order itself is a determining force. Through contrasting mainstream theories with recent theoretical amendments, it has shown the importance of taking external factors seriously. In doing so, it reconnects integration theory with its IR foundations. The disintegration of the LIO is not merely background noise; it is a structural driver that reshapes the logic of integration itself.

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