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## **Abstract**

The development trajectory of the European Union (EU) has always been a key question in the history of the integration. The significance of this issue became even more topical after the so-called Great Recession of 2008-2009, which further exacerbated economic, social and political problems of the EU. The negative impacts were most evident in the Eurozone, since the sovereign debt crisis jeopardized the entire Economic and Monetary Union (EMU). The crises made it clear that the EMU had been malfunctioning due to its incompleteness. Recognizing these failures and shortcomings, member states decided to launch reforms in order to strengthen the structure of European Economic Governance (EEG). However, the issue of sovereignty and economic nationalism (protectionism) came again to the forefront of public debates, which made it difficult to improve the functioning of the EMU. The story is very important from theoretical perspective as well, since various theories and approaches provide different narratives and frameworks to interpret the events. The dissertation takes neofunctionalism as a theoretical framework in explaining the Eurozone crisis management. In relation to this, the major question of the thesis is whether the crisis management can be adequately explained by the methodological toolkit of the theory. The dissertation contributes to the existing scholarly literature in three different ways. First, neofunctionalism (and integration theory in general) is an extremely underresearched area in Hungary. Accordingly, works on the European Union that study the integration in neofunctionalist approach, cannot be found in the Hungarian literature. Primarily, the thesis, which interprets neofunctionalism as a separate research program, intends to fill this gap, even if the dissertation is written in English. Chapter 2 provides an exhaustive review and systematization of the Neofunctionalist Research Program (NRP), which is also a novelty in the international literature. Second, relating to the previous point, the other novelty of the dissertation is our own neofunctionalist model that introduces a new conceptual and methodological framework. The model synthesizes previous versions of neofunctionalism, and other relating approaches. The objective of this modified (complex) framework is to provide an adequate analytical framework with which we can understand and describe long-run development (evolution) of the EU and other regional integrations. Finally, the thesis extends the investigation period of the theory, and examines the explanatory power of neofunctionalism in the post-crisis period (in the uncertainty phase). Chapter 3 introduces the anatomy of the sovereign debt crisis while focusing on institutional incompleteness of the EMU. The chapter also analyzes and summarizes the reforms of the EEG and concludes that the strengthening of economic and fiscal cooperation may be best explained by recent approaches such as New Intergovernmentalism and New Supranationalism. At the same time, it has to be noted that new elements/mechanism (or some of them) might be a springboard towards a deeper integration in the future. Finally, Chapter 4 analyzes two exploratory case studies of the post-crisis period, the European Banking Union (EBU) and the European Fiscal union (EFU). The analysis is based on the modified neofunctionalist model. The results are ambivalent. In the case of EBU, both spillover triggers and vertical institutional outcomes can be identified, which proves the existence of spillover. However, in spite of strong functional, (EU-level) political and institutional triggers, the implementation process of the EFU became standstill. In sum, we conclude that neofunctionalism is still relevant in explaining long-run developments of the European integration.