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Governing Europe in a Globalizing World

Neoliberalism and its alternatives following the 1973 Oil crisis

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Introduction (pp. 1-14)

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How have Western European leaders responded to the challenge of globalization generated by the economic crises of the 1970s? The traditional narrative emphasizes the rise of a neoliberal Europe.¹ In contrast, this book will stress that there was no inexorable march towards a neoliberal Europe, as reflected in the fact that numerous other alternative policies were implemented, including some following a more social orientation. In addition, while it is true that the European Economic Community (EEC) was eventually reinforced, this was by no means a preordained outcome. It happened only after other alternatives for regulate globalization were exhausted. From a methodological perspective, this book claims that it is therefore useful to divide economic policies into three categories: socially-oriented, neo-mercantilist and market-oriented - in order to make pertinent comparisons between the different countries. Neoliberal policies are defined as a radical version of the market-oriented category.² The main dividing line has been between the promoters of a social regulation and the neoliberals, but there exist indeed many intermediate positions. Moreover, not all promoters of market regulation have social aims and not all champions of a balanced budget want to retrench the welfare state.

The 1970s were a transformative decade. The roots of the contemporary economic crisis and of the rise of neoliberal ideas are often traced back to this period following the 1973 oil crisis (Crouch, 2011; Levinson, 2016; Streeck, 2016). For example, in *Capital*, Thomas Piketty identifies a reversal of the trend in inequalities during those years (Piketty, 2013). Many scholars also argue that the nature of European integration changed drastically during this period by becoming more market-oriented (Buch-Hansen and Wigger, 2011; Mudge and Vauchez, 2012, 450; Schulz-Forberg and Strath, 2010). Indeed, it was during this decade that, for the first time, globalization became an economic threat for Western Europe rather than an opportunity,³ a fact captured by the expression: “Shock of the Global” (Ferguson et al., 2011). Globalization had of course existed beforehand, but it took a much more aggressive form in Western Europe after the oil crisis of 1973 when Arab oil exporters quadrupled the price of oil (Bini, Garavini and Romero, 2016). And, after the second oil shock in 1979, the price of oil increased tenfold. At the same time, new competitors in manufacturing industries emerged not only in Japan, but also in other countries in Southern and Eastern Asia, in Southern America and in the Eastern Block.

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Even the international monetary system collapsed in 1971. Concretely, this dire global economic environment led to high inflation and low growth in Western Europe. This period saw the end of full employment. In the mid-1980s, growth bounced back in Western Europe after a dismal decade. However, it was only in 1986 that a new organization of globalization finally emerged both with the Single Act of the EEC and with the opening of the Uruguay Round of the General Agreement on Trade and Tariffs (GATT).

This book claims that Western European leaders made two choices between 1973 and 1986 that allowed them to adapt their continent's government to this new globalization challenge. First, in terms of international cooperation, they consciously chose the EEC as the main forum for regulating globalization, because they considered it the best compromise for managing interdependency, more than other international organizations. It was the best blend between the willingness of member-states to obtain credible commitments from their partners and thus benefit from supranational arbitration, while retaining most of their prerogatives.⁴ In this context, there are two prevailing strands of thought/arguments that I dispute (see below for the literature review). The first is the exceptionalism narrative, which considers the reinforcement of the European Community as an inexorable force driven by its unique character. The second is the tendency to downplay the originality of the EEC and to conflate the Community with the globalization process as a whole. Both of these visions simplify the interactions between the national, European and global levels of economic regulation.

Second, in terms of economic policy, this study argues that there was no inevitable advent of a neoliberal Europe. It was only one option among others; the other alternatives (socially-oriented, neomercantilist, market-oriented, neoliberal) were still present throughout those decades. Certainly, a shift to more market-oriented policies was discernible during this period. This book argues that this dynamic was not triggered simply by the movement of ideas and the US influence. Western European leaders consciously chose this path after exhausting other alternatives, and because of several under-evaluated national financial crises. This twofold claim will be substantiated by examining the economic and institutional choices made by Western European leaders to tackle the challenge of globalization.

At center stage: Western European decision-makers

This study focuses on the choices made by Western European decision-makers, that is to say top politicians (see tables 8, 9 and 10 in annexes for the lists of the main leaders). It is complementary to studies focused on one state, as well as those which delve into

transnational dynamics - such as the movement of ideas, technological innovation, or the evolution of markets.

The emphasis is put on the four most important actors: the European Commission, and the government of the three largest member-states: France, the United Kingdom and West Germany. Each of these actors will not be considered as monolithic. On the contrary, their internal divisions will be brought into high relief.

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The European Commission of the EEC benefited from the fact that the EEC eventually surpassed all other competitors to become the most powerful organization of European cooperation for several major economic issues, despite the fact that many alternatives had been envisioned in the 1950s (see chapter I and: O'Rourke, 2011; Parsons, 2003). Within the EEC, the Commission played a major role because it proposed legislation (regulations and directives). The Council of Ministers, which gathered the ministers of national governments, voted on the legislation. Then, the Commission contributed to the implementation of regulations and directives, alongside the Court of Justice and national governments. The European Parliament played but a limited role in the legislative process prior to 1986 (Rittberger, 2005, 143), except in matters regarding the budget, but it had an intellectual influence in specific issues.⁵

Two other major international institutions emerged in 1975: the European Council and the G6. The European Council brought together heads of government (and of States in the French case) of the EEC member-states. The G6 (later to become the G7) gathered the leaders of the six wealthiest capitalist countries (Mourlon-Druol and Romero, 2014). Those two organizations will be examined through the archives of the three largest Western European governments and of the European Commission. The latter participated increasingly over time in those two organizations (Garavini, 2006).

The book will focus on the governments of Germany, the United Kingdom and France as the wealthiest of the Western European States, and major global players as well. France and the United Kingdom were nuclear powers, with veto authority at the UN Security Council. West Germany's role in the international arena was more subdued in the 1970s but this book will demonstrate that it played a central role in European economic negotiations. Conversely, Italy's influence was generally more limited than its size would have suggested. As Antonio Varsori indicates, there was a contrast between the pro-EEC attitude of the Italian government, and its difficulty in being recognized as a major player by its European partners

(Varsori, 2010, 404). Many examples in the archives confirm that the most important bargains were struck between Britain, France, and Germany, with Italy being largely left out.⁶ It was true in particular between 1973 and 1985 when the EEC comprised only nine to ten states.⁷ Certainly, there are some examples of countries outside the “big three” making an impact, such as the decisive initiatives taken by Italian leaders during the 1985 Milan European Council, the crucial bargaining role of Belgians in European institutional negotiations, or the impetus of the Dutch in the founding of the Common agricultural policy and in the liberalization of air transportation.⁸

Another advantage of focusing on these three main countries is that each of them has distinctive socio-economic features (see chapter 7 and: Amable, 2003; Fioretos, 2011; Hall and Soskice, 2001). West Germany embodied the “coordinated market-economy” model, based on the association of the free-market and relatively stable patterns of cooperation among many actors -companies, banks, trade-unions and regional authorities, among others.

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This model evolved relatively slowly during those decades, in contrast with the British’s economic pattern, which moved rapidly from an extensive state intervention in the economy, to a radical neoliberal approach under Thatcher. France experienced several changes in direction between Keynesian stimulus and market-oriented reforms, while keeping its strong state-centered structure despite a 1982 decentralisation law.

In terms of European policy too, those three countries followed specific patterns of international cooperation. Haunted by its national-socialist past, West Germany was usually portrayed as the good pupil of international collaboration, always stressing the need to follow multilateral norms, laws and procedures. However, this book will show that economic issues created bitter debates among German leaders. They did not hesitate to clearly articulate and promote their economic interests, but without trumpeting them as loudly as the British and the French did.

Britain has traditionally been considered the ‘awkward partner’ of Europe, a term recently endorsed by the British Prime Minister Teresa May in her Brexit Speech of 17 January 2017, and which previously was the title of a well-known book on Britain and Europe (George, 1994). Actually, this expression originates from a comment made in 1980 by a British diplomat lamenting the limited influence of his government on the EEC in an internal note.⁹ Unlike most continental European countries, Britain had been neither invaded nor defeated during the Second World War. It had led the largest Empire in the world, which spared it the

need of thinking about joining the European communities at first. The British government did not share a key justification for European integration that had motivated France and Germany: the ideal of overcoming a shared and bloody history (the first purely Franco-German conflict dated back to 1870) and to find a new manner of regulating international relations not based exclusively on nation-states. Resultantly, the British style of negotiation was often direct and rough-edged, ignoring references to this European ideal. Their commitment to the EEC was constantly put to the test: first with the referendum in 1975 to confirm membership, then in 1979 when the United Kingdom was the only EEC country not to take part in the European Monetary System, and finally in 1980-84 during the budget battle, the so-called BBQ, “British Budgetary Question”.

In contrast, French decision-makers managed to more harmoniously coincide their national interest with a support for European integration. After the humiliating and bloody defeat of June 1940, a liberal and democratic French government had returned to life under the Free France of de Gaulle. With the support of Churchill, de Gaulle had eventually managed to sit at the table of victors. The French colonial empire crumbled significantly in the 1950s, just as European integration offered a new opportunity for the French to heighten their influence in the world (Shepard, 2006). After Jean Monnet, Robert Schuman and Guy Mollet, Charles de Gaulle, who led France from 1958 to 1969, was another “Father of Europe”, such was his role in implementing the Treaty of Rome (Warlouzet, 2011a).

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For him, the EEC represented a good economic bargain because it associated a stimulating free-trade dynamic with many elements that would simultaneously help contain it. It was also interesting from the political point of view, as it could cement Franco-German reconciliation, while at the same time bolstering France’s status in the world. The EEC at Six presented only a limited threat to national sovereignty after the Empty Chair crisis of 1965, which de Gaulle triggered precisely to avoid what he perceived as federalist drift (Ludlow, 2006). Certainly, the 1973 arrival of the United Kingdom in the EEC altered the balance of power, but French negotiators had accrued considerable experience in how to use EEC institutions, norms and vocabulary. This sometimes disconcerted the British. In his valedictory report, the UK permanent representative underlined this contrast in 1979: “[The French] pay little regard to the wishes of their partners and even less to their feelings. [...] For some reasons, I have never had satisfactory explained the other member States seem in some way to be mesmerized by the French”.¹⁰ However, he added: “Nor are the French particularly successful or efficient.” In

other words, the rhetoric of the French was more powerful than that of the British ... but it did not always prevail.

The peculiar position of the British in Europe was reinforced by the strength of Franco-German reconciliation, which sometimes translated into a Franco-German couple in terms of international relations, and therefore into a deeper 'embedded bilateralism' (Krotz and Schild, 2013). Between 1973 and 1986, the Franco-German couple was on display between Giscard d'Estaing and Schmidt (1974-81) and Mitterrand and Kohl (1982-86). This did not mean that the two countries agreed on everything, however. On the contrary, not only did they frequently disagree, but most of the time they were on opposite sides in economic discussions. The strength of the Franco-German couple emanates precisely from this capacity to overcome national divergences to find an acceptable compromise that could be promoted at the European level. French and German archives contain many traces of this willingness to maintain close contact with each other.¹¹ In contrast, British comments are absent any such idealism.

Socio-economic policies are shaped not only by states and by international organizations, but also by non-state actors. Therefore, the two most relevant transnational actors in the economic field, the European business organization UNICE (*Union des Industries de la Communauté Européenne*) and the European Trade Union confederation (ETUC), have also been taken into account, for specific issues where their lobbying played an important role in influencing Western leaders. Since there are no UNICE archives, collections of the British business organization, the *Confederation of British Industry* (CBI) were used. Both the UNICE and the ETUC were loose organizations which were characterized by deep internal divisions.¹² Nevertheless, these organizations are the best proxies to understand what was the influence of transnational business and labor on the decision-making process, and how they managed to shape the organizations of markets.

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Furthermore, to avoid any teleology which might ascribe a predominant and exclusive place to the EEC without taking into account other international organization of economic cooperation, this book examines four of them: The General Agreement on Tariffs and Trade (GATT) for trade, the International Labor Organizations (ILO) for social policies, the Organization of Economic Co-operation and Development (OECD) for macro-economic policies and industrial policies, and lastly the United Nations (UN), in particular through the

United Nations Conference for Trade and Development (UNCTAD), for issues regarding trade in a wider sense, including the control of multinationals.¹³

Thus, this book will examine national, European, international and transnational actors. Although the book's perspective is not state-centric, this study claims that it would be illogical to ignore nation-states in any study about Western Europe after 1945, when states were at the peak of their influence due to the expansion of the welfare state, and due to considerable technical innovations that were largely under state control (nuclear weapons, space launcher, etc.). Many historians of Europe stress that it is necessary to examine both transnational actors and nation-states, as they are intertwined.¹⁴ This feature was aptly summarized by Anne-Marie Slaughter in 1997: "The state is not disappearing, it is disaggregating into its separate, functionally distinct parts. These parts –courts, regulatory agencies, executive, and even legislatures- are networking with their counterparts abroad, creating a dense web of relations that constitutes a new, transgovernmental order" (Slaughter, 1997, 184). In other words, it is fundamental to disregard the fiction of the unitary actor by uncovering the intra-institutional division of the state, and the networks weaving together different types of actors. All levels of regulation (national, European, global, transnational) are linked through the circulation of actors and ideas, and through the different stages of the decision-making process, from the consultation of business and trade-unions, to the adoption of the law, and eventually its implementation by courts and by societal actors. In terms of European economic policy, this approach was recently implemented in Bernard Jullien and Andy Smith's collective volume on the government of four industries, which insists on the fragmentation of the European polity (Jullien and Smith, 2015). This book applies this same lens to assess the broader problem of the adaptation of Western Europe to globalization from 1973 to 1986. The drawback of such a comprehensive approach is that uncovering such networks adds new layers of complexity. This study utilizes three models to help make sense of this diversity.

Three models

A major problem of any comparative study lies in the fact that economic policies often have different names depending on the country. For example, there was officially no "industrial policy" in West Germany, although some tools supporting

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German manufacturing used in those days would have been labeled so in other countries (chapter 5). National rhetoric is also important. French politicians seek to appear all-powerful, willing to impose the general interest over the “dictatorship of the market”. Conversely, many American and British leaders prefer to portray themselves as promoters of free-markets, while being wary of tags such as “dirigist” or “socialist” policies that carry a whiff of communism. Labels such as “liberal” and “neoliberal” bear very different connotations depending on the country. One solution for overcoming this complexity is to select only the most salient issues and to compare national cases. This was the approach chosen in several major studies of European integration in those decades (Moravcsik, 1998; Dyson and Featherstone, 1999). In contrast, this book aims at covering most fields of social and economic policies that were concerned by international cooperation, including those dealing with labor, industry, competition, or planning, as they reveal much in terms of ideology and the balance of power. Moreover, to avoid a mere juxtaposition of national case-studies, this study applies models of economic and social policy. A model is a group of measures of public policies designed to fulfill a given aim. It is close to the “ideal-type” that Max Weber defined as such:

“An ideal type is formed by the one-sided accentuation of one or more points of view and by the synthesis of a great many diffuse, discrete, more or less present and occasionally absent concrete individual phenomena, which are arranged according to those one-sidedly emphasized viewpoints into a unified thought construct. In its conceptual purity, this mental construct cannot be found empirically anywhere in reality. It is a Utopia”. (Weber, 1949 [1904]).

An ideal-type regroups the common features of several isolated phenomena. It is a theoretical construction that facilitates comparison. It is used in this book to overcome the discrepancy in terms of vocabulary, and to define a typology of European economic policies, which could associate ideas, actors and institutions around a single overarching objective. Three models have deeply impacted European integration (for more details on the historical origins of this threefold classification, see chapter 1).

A first category of public policy, called “socially-oriented”, regroups the measures that aim at diminishing inequalities by taking measures supporting the least favored groups, and more generally by addressing the negative externalities created by markets (such as pollution). Policies dominated by a social impetus concern the whole range of economic policies, and not just so-called welfare state provisions, usually defined as encompassing insurance on unemployment, illness and disability, old-age pensions, and education (Barr, 2005). Redistribution may also occur through taxes, macro-economic measures, laws on working

conditions, the democratization of companies, regional subsidies or development policy among others. Similarly, the improvement of the general well-being can be attained through welfare state provisions, but also through environmental or cultural policy.

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A second category, neomercantilism, designates a type of policy whose aim is to maximize national industrial output (industry being considered broadly speaking and not strictly as manufacturing per se). Neomercantilism comes from the mercantilist impetus of protecting national companies and of fostering export. The prefix “neo” is added to underline the fact that those policies were embedded in an international economic order based on a commitment to free-trade in those decades. Protectionist measures were, in theory, only temporary and limited. To protect their industries, national governments and international organizations relied on indirect tools such as technical norms or cartels. In contrast to promoters of socially-oriented policies, neomercantilists do not aim to protect the poorest, even if this could be a side-effect of shielding industry from international competition.

A third category of public policies, labeled “market-oriented”, promote free-market reform by removing obstacles to the economic liberties of both individuals and of firms. They are usually associated with austerity policies aimed at balancing budgets. In the neoclassical tradition, those measures are supposed to be the best way to attain growth, and hence to increase welfare for all. Neoliberal policies are a radical variant of market-oriented policies. They place an emphasis on the retreat of the welfare state. Neoliberal policies were in their ascent during the years covered in this book.

Using models is justified by three compelling reasons. First, by overcoming the vocabulary differences highlighted earlier, they allow for a more coherent and engaging presentation of the findings, rather than a mere chronological narrative, or a juxtaposition of the four main actors’ choices of economic policy. Second, models can reveal linkages between actors and/or decisions that otherwise would seem unconnected. A socially-oriented Europe refers not only to what was labeled “social policy”, but also to part of the agriculture, competition and macro-economic policies. Third, models can uncover differences between decisions that bear the same label. For example, competition policy is a term that can be used for different purposes - social, neomercantilist or pro-market - and not exclusively to promote a neoliberal agenda. Of course, models must not be reified. They are used ex-post to facilitate comparison, but they were not present in discussions in those days.

An historical approach

This book uses a blend of history and political science in order to provide new first-hand information, whilst at the same time organizing them in a coherent framework (Trachtenberg, 2014). The methodology of history is based on the use of primary sources, particularly archives, which are usually released publicly only 30 years after their creation. They allow the researcher to uncover new material. Certainly, archives are not perfect: important oral conversations are missing and many authors of administrative documents found in the archives tend to downplay the incoherence of the policy defended by their own organization. Typically, a note from a diplomat will tend to overemphasize the contradiction of other

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government and international organizations' actions, while at the same time ignoring those of his/her own national government. Using multiple archival sources, coming from different countries and from international organizations, helps overcome some of these limitations, in particular the nation-centered perspective of many governmental archives.

However, archives provide three decisive additions to the sources immediately available - sources such as newspaper articles, speeches and memoirs. First, actors expose their real motivations more readily in internal documents, which will remain closed for thirty years, than in public ones. Most of all, in memoirs, many politicians will seek to depict success stories which downplay failures and misperceptions.¹⁵ Second, newspapers and memoirs assign an emphasis to a limited number of high-profile issues, while technical topics are marginalized, even though such topics could prove extremely relevant later on. For example, when the Treaty of Rome was negotiated in 1956, the French press did not cover it extensively because the deployment of young conscripts in Algeria took precedence in the public discourse (Warlouzet, 2011b, 202-17). Technical provisions that proved to be tremendously important later on were barely addressed. Third, projects which subsequently failed are often forgotten, whereas it is important to assess the full menu of options that were available to actors at that time. Such counter-factual analysis does not mean that all theoretical speculations aired by intellectuals much be considered, but only those options that were seriously discussed by decision-makers (Capoccia and Kelemen, 2007, 356). They are worth considering in themselves as they indicate possible future paths that had been carefully considered, but discarded – the path not taken. The failure of these alternative paths was not preordained, but sometimes a consequence of contingency, or of a narrow defeat during debates. Counterfactuals must be borne in mind. For example, this book will illuminate how

the project to develop a social regulation of globalization crystallized in the early 1970s, while neo-mercantilist attempts to tame globalization gained traction in the late 1970s and early 1980s.

This book is inspired by an historical institutionalist approach according to which time matters in explaining the outcome of the decision-making process through three crucial mechanisms: ‘path dependency’, ‘critical juncture’ and ‘unintended consequences’ (Steinmo and Thelen, 1992; Fioretos, Falletti, and Sheingate, 2016; Hall and Taylor, 1996). The first dynamic means that decision-makers are constrained by decisions made earlier on, sometimes decades earlier. Thus, alternative designs are more difficult to promote, even those which would, in theory, be more in tune with the actors’ preferences. ‘Unintended consequences’ designate in particular discrepancies between the anticipations of the actors who decided to adopt a legislation, and its implementation. Path dependencies originate during ‘critical junctures’, which are short periods of time when ‘wide-ranging change is possible’ (Capoccia and Kelemen, 2007, 352). Following this approach, the aim of an historical study is to identify critical junctures, and establish what choices were genuinely available to the decision-makers, and not merely theoretical (Capoccia, 2016, 93).

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Historical institutionalism is especially well-suited to the study of European economic cooperation (Büthe, 2016; Pierson, 1996; Thatcher and Woll, 2016). Within the EEC/EU, national decision-makers have been deeply constrained by the partial autonomy of supranational institutions, the multiplicity of technical issues to master, the limited time-horizons of national decision-makers and their shift in policy preferences. At the same time, this emphasis on institutional dynamics should not translate into a neglect of the study of individual actors, and of the networks they form at all levels, nor into an ignorance of non-institutional factors.

Contribution to the literature

This book will benefit from - and seeks to make - decisive contribution to three fields of literature: political economy, political sociology of the EU and history.

First, the evolution of economic policies in Western Europe in the 1970s and the 1980s has been examined by several stimulating books (Fioretos, 2011; Gillingham, 2003; Moravcsik, 1998; Rosenthal, 1975; Thatcher, 2007). This study brings complementary information due to these new primary sources. It also provides a multi-level perspective since it examines the

evolution of economic and social policies at all three levels - national, European and global - whereas the emphasis is usually on two such dimensions, with the European Commission often being neglected. This threefold perspective is required to understand what choices were available to Western European decision-makers and to consider that deeper European integration was not inevitable. European leaders did not separate the national, European and global levels when they searched for a solution to the challenge of post-1973 globalization. Lastly, the application of three models of economic policy infuses the analysis with more nuance, compared with mono-chromatic narratives such as ‘the irresistible victory of neoliberal ideas’ that can sometimes be found in certain studies.¹⁶ In addition, this approach offers a broad interpretative framework in terms of political economy.

Secondly, this book will take stock of the renewal of European studies in terms of political sociology (Mérand and Saurruger, 2010). Many studies of transnational and supranational actors, such as interest groups and members of European institutions (Courty and Michel, 2013; Georgakakis and Rowell, 2013; Kassim, 2013; Mangenot and Rowell, 2010) have considerably deepened our understanding of European cooperation by moving beyond a perspective centered on the study of grand bargains and on the text of the treaties. They have enlarged the focus of the research to the interaction between national, European and international actors, as well as between state and non-state actors. Those networks of actors are useful to provide legitimacy and influence to an organization. Examining non-state actors and the flows that they produced (trade, litigation, movements of workers or of students, circulation of cultural products, etc.) is also useful to gauge to what extent European integration has existed for individuals (Favell, 2008; Fligstein, 2002 and 2008).

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Hence, the blurred area between the adoption of a rule and its implementation has now been explored.

However, some of those studies suffer from several drawbacks. To begin with, a global perspective is sometimes lacking. In addition, such studies have largely neglected the period before 1986. Arguably, those two limitations are logical since EU studies have considerably expanded since 1986. In particular, studies on the notion of “Europeanisation” have been developed in connection with the increasing EEC/EU legislative activities linked to the Single Market programme (Radaelli, 2004). The main exception is the burgeoning field on the emergence of communities of European lawyers, which is animated by lawyers, political sociologists and historians alike (Bailleux, 2014; Davies and Rasmussen, 2012; Vauchez,

2014). This field can be traced to the 1950s at least, with Lindseth's careful examination of the interaction between national and European legal systems going back to the 1930s (Lindseth, 2011). However, even those studies do not avoid the third limitation of this literature, namely a tepid interest for the content of economic policy, except for Jullien and Smith's edited volume which deals mainly with the 1990s-2000s (Jullien and Smith, 2016). Hence the relevance of this book, as it will take stock of this considerable refinement in our understanding of the political, sociological and institutional dimensions of European cooperation, while adding a long-term economic and global perspective.

Thirdly, in terms of the historical literature, this book will benefit from the renewal of the history of European cooperation (Mourlon-Druol, 2015; Warlouzet, 2014b). The field of European integration history has sometimes been considered too teleological in the past, as history was envisioned from the vantage point of the present, or from an imagined future of the United States of Europe. This vision stems from the famous chapter "The lives and teaching of European saints" published by Alan Milward in 1992 (Milward, 1992, 319-45), and from the more nuanced analysis of Mark Gilbert (Gilbert, 2008 and 2014).¹⁷ Conversely, a new teleology has recently emerged which considers European integration as the expression of a neoliberal and technocratic international plot of elites. This teleological vision has been shared by left-wing as well as by right-wing historians.¹⁸ More generally speaking, teleological bias is present in all types of history, as Kiran Klaus Patel's recent article on "the dark side of transnationalism" reminds us (Patel, 2016). By contrast, this book avoids both teleological traps as it carefully considers all alternatives to European integration, from national paths to other international organizations. It strives to understand the various processes of European cooperation by considering intergovernmental, supranational and transnational dynamics without opposing them, as well as by considering internal divisions within large organizations (Kaiser, Leucht, and Rasmussen, 2009; Rasmussen, 2009, 50).

Crucially, by bringing the perspective of both European studies and of global history, this study will provide a better understanding of the period, by demonstrating the link between European and international organizations in the regulation of globalization. In 1975, Ernst Haas had already asserted that: "the study of regional integration should be both included in and subordinated to the study of changing patterns of interdependence" (Haas, 1975, 9 and 86).

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In 2013, Kiran Klaus Patel reformulated this observation by arguing that it was time to “provincialize” the European Union (EU), and its forerunner, the EEC, by “comparing them to alternative organizations” (Patel, 2013). Only then could the specificity of the EEC/EU as an experience of regional cooperation emerge, with neither the idealism nor the Euroscepticism that characterizes many books on European integration”.

Arguably, several researchers have already answered this call with targeted studies devoted to single issues in the 1970s in several edited volumes (Hiepel, 2014; Kaiser and Patel, 2017; Mechi, Migani and Petrini, 2014; Murlon-Druol and Romero, 2014; Patel and Weisbrode, 2013; Chélini and Warlouzet, 2016), but rarely in monographs, bar Garavini’s book on the North-South relationship (Garavini, 2012) and Murlon-Druol’s on the European monetary system (Murlon-Druol, 2012a). Other books have focused on one single issue over a larger time span, thus putting less emphasis on the 1973-1986 period. The most notable studies include those on monetary cooperation (Dyson and Maes, 2016; James, 2012; Maes, 2002), on the OECD intellectual role (Schmelzer, 2016), on agriculture (Knudsen, 2009; Ludlow, 2005; Patel 2009a), on the role of technical experts since the mid-XIXth century (Kaiser and Schot, 2014), as well as on the emergence of a community of European lawyers (see above). This book will draw upon this research but it will take a wider socio-economic angle as it will insert all these dynamics, and all the main international economic organizations (EEC, GATT, ILO, OECD, UN/UNCTAD) into the framework of the debate between socially-oriented, neo-mercantilist and market-oriented policies.

Furthermore, the literature based on primary sources regarding the interaction between the four main actors has so far been relatively limited, which is unsurprising since most archives are available only after a 30 year-gap.¹⁹ Historical analysis of European and economic policies exist in a few multi-authored volumes on the European Commission (Bussière, Dujardin, Dumoulin et al., 2014), on France (Berstein and Sirinelli, 2006-10; Berstein, Milza and Bianco, 2011), on the UK (Jackson and Saunders, 2012), and on Germany (Knipping and Schönwald, 2004; König and Schulz, 2004; Doering-Manteuffel, Raphael and Schlemmer, 2016). Archival-based monographs have been published for certain UK economic issues of the 1970s (Schenk, 2010; Needham, 2014, Williamson, 2015), and for the German Council of economic experts (Schanetzky, 2007). A recent revival of historical studies on neo-mercantilism is visible with two recent ventures on industrial policies (Grabas and Nützenadel, 2014; Ahrens and Eckert, 2017). Thus, there is ample space for a book associating the national, European and global perspectives on the period spanning 1973 to 1986, during which globalization became more threatening to Western European’s prosperity.

Structure of the book

The book's arguments will unfold over nine chapters which address both the institutional question (why the EEC was chosen as the main forum to regulate globalization?) and the economic one (why the neoliberal thrust was real but limited since many alternative policies were implemented?).

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First, an introductory chapter (chapter 1) will elaborate on the specificity of the economic crisis of the 1970s as regarding the three models of economic and social governance analyzed throughout the book.

A second part, composed of chapters 2 and 3, will tackle the attempts to develop a socially-oriented management of globalization in Western Europe. Chapter 2 will study the main general issues, such as the harmonization of laws, redistributive policy (regional policy but also the Common agricultural policy), macro-economic policy (European planning), and the labor movement's influence (or lack thereof) within the European decision-making process. Chapter 3 will be devoted to one of the major transnational debates which took place during those years: the control of multinationals.

A third part, composed of chapters 4, 5 and 6, will examine the steep rise of neomercantilist policies. Chapter 4, on the attempts to organize international trade, will demonstrate that there were concrete projects to reorganize the world markets on a neomercantilist basis in the 1970s, and that some of them were actually implemented. Western Europeans chose to use the EEC to reorganize the commercial relations with their former colonial empires, to manage the constant trade conflicts with Japan and the US, and to deal with the GATT negotiations. Chapter 5 will examine the Western European attempts to tackle the massive job losses in traditional manufacturing. While Western European officials managed to develop a common EEC approach in steel and in textile, they failed to act within the OECD in shipbuilding. The examination of a concrete case of crisis cartel, the man-made fiber cartel, will also illustrate the neo-mercantilist tendencies of the late 1970s. Chapter 6 will examine the other area in which industrial policies were influential: the high-technology sector. It will show that the Airbus model, namely ad hoc intergovernmental cooperation, remained prevalent as the French government was unable to promote its principle of "European preference", which would have led to a distinctively neo-mercantilist European policy in high-technology.

A fourth part will be devoted to the rise of market-oriented policies in the 1980s, in particular at the macro-economic level, with the failure of the concerted stimulus, with limited development in monetary Europe and most of all with the role of national financial crisis (chapter 7). Chapter 8 will be devoted entirely to competition policy as it is argued that it was the main vehicle for a neoliberal transformation of Europe, but only at the very end of the period and in specific areas.

A fifth section, made up of chapter 9, will examine how the three dynamics, socially-oriented, neo-mercantilist and market-oriented, were combined in 1985 and 1986, in a new post-crisis period marked by a new organization of international cooperation, through the Single European Act and the launching of the GATT Uruguay Round.

Finally, the book's conclusion will underline that there was no inexorable rise of a neoliberal Europe between 1973 and 1986 as all three models of regulation of globalization, socially-oriented, neomercantilist and market-oriented, were still represented in 1986.

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A neoliberal evolution of the latter was visible but it was not dominant. Moreover, whereas the EEC became the main forum to tackle the "Shock of the Global", it was often a second best, and not an idealized choice made from the start. Lastly, the balance of powers among actors will be reassessed to put an emphasis on the central role of the West German government. An epilogue on the later decades will elaborate briefly on the relevance of the threefold classification of economic policies (socially-oriented, neomercantilist, market-oriented/ neoliberal) for the last decades, right up to the Brexit vote of June 2016. Overall, the book will demonstrate that Western European leaders have responded to the challenge of globalization by a balance between different types of economic and social policies, and by a reasoned choice for European integration but only in certain areas.

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Conclusion and Epilogue (pp. 214-232)

----- Pagnation in the book: pp. 214-232 -----

The shock of globalization deeply affected Western Europe after 1973, not only nationally, but also in terms of European and of global governance. Three main conclusions can be drawn from the history of Western Europe facing globalization between 1973 and 1986. First, in terms of economic policy, there was no inexorable march toward neoliberalism; instead many alternatives remained on the agenda. Second, in terms of international cooperation, the EEC was reinforced as a forum for regulating globalization. This process was not inevitable but rather the result of a trial-and-error process: the solution of the European communities was chosen only after all other alternatives at the national and international level had been exhausted. Third, the role of the main actors during this period has been reassessed. The role of the German government has been emphasized but without considering it to be dominant. Finally, an epilogue will elaborate on the relevance of this book's approach, in particular the typology of economic policies, for the entire 1957-2017 period.

The illusion of an inexorably neoliberal Europe

The period between 1973 and 1983 was a transformative decade for Western Europe as globalization clearly became a threat due to the rising price of oil and the growing clout of new exporters of industrial goods. This fueled unemployment, inflation and deficits. After 1984, the situation improved. A new framework for regulating globalization finally emerged in 1986 with the Single Act and the launching of the Uruguay round.

1986 appears as a clear break. Retrospectively, it signalled the beginning of the end of the Cold War - Gorbachev seized power in 1985. A new period unfolded in 1986-92, which ended with the fall of the Soviet Union, the arrival of the Maastricht Treaty, and the end of the Uruguay Round (in 1992-4). The relative situation of Western Europe in the world economic arena improved, with a rising share of exports (see graph 8).

Overall, many different solutions were explored between 1973 and 1986, with the neoliberal option being only one choice among three others - a socially-oriented one, a neo-mercantilist one, and a market-oriented but not always neoliberal one.

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First, the 1970s were characterized by a major ambition to promote a socially-oriented regulation of globalization. Chancellor Brandt shaped an ambitious project of social Europe in the early 1970s.²⁰ It then unfolded in major international negotiations. Many ventures ended up as failures, such as the project to develop European-level planning, to control multinationals or to organize a concerted macro-economic policy of reflation.²¹ Nevertheless, this ambition also translated into concrete results at the EEC level in terms of health and security legislation, of gender equality, of environmental protection and of the correction of regional imbalances. Those developments were relatively modest when considered individually, but when combined they were quite relevant in the end.

The neomercantilist regulation of globalization was influential in the late 1970s and early 1980s. It was visible in European steel policy, in the support of high-technology and in the organization of many markets at the world or at the regional level through cartels or ad hoc agreements.²² The EEC played a central role in those negotiations by managing trade disputes with Japan and with the US, and by organizing trade relations with former colonial empires through the Lomé convention. Delors then contributed to a reorientation of the EEC neomercantilist approach towards high-technology and research with Esprit, the framework program, and later on with Erasmus (1987).

Market-oriented policies took the lead with the European Monetary System (EMS) and then with the Single Market Program, which then led to the adoption of the qualified majority voting at the Council. Even those who were adamantly opposed to such a development, like Thatcher, accepted it as a necessary price of the Single market. This dynamic unfolded for many reasons, the most well-known being the two oil shocks and the rise of neoliberal ideas. Three additional reasons were underlined in this book. First, national financial crises -or the fear of an impending financial crisis- played a major role, and not only in the UK in 1976 - the case usually emphasized in the literature - but also in Germany in 1980 and in France in 1983 (not to mention in Italy in 1977).²³ Second, there was a perceived inefficiency of traditional dirigist tools such as price policy, massive state aid to support ailing companies, and nation-centered stimulus.²⁴ The impossibility of asserting the notion of European preference condemned any ambitious neo-mercantilist plan.²⁵ Third, politically, there was not a strong and efficient transnational network supporting the development of a socially-oriented regulation of globalisation.²⁶ Trade-unions and social-democratic parties were uncoordinated, particularly the German social-democrats and the French socialists, neither of whom had insisted on developing constraining social policies at the European level under Schmidt and

under Mitterrand. Neoliberal political actors were not better organized, but they benefited from a favorable political environment with the consecutive re-elections of Thatcher (despite contestable economic results even from a neoclassical perspective), with the election of Reagan, and with the perceived failure of the French socialist reflation policy in 1983. When he became Prime Minister in 1974, the Gaullist Jacques Chirac launched a stimulus program. When he returned to the Prime Minister position twelve years later, in 1986, he adopted a much more neoliberal rhetoric. In the meantime, he praised Thatcher's reforms

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when he met the chancellor of the Exchequer Nigel Lawson, the leader of the British centre-right opposition in 1983 (when he was leader of the opposition).²⁷

Two other factors beyond the scope of this book also played a role. First, technical innovation disrupted certain sectors such as air transportation, telecommunications and finance. This forced national monopolies and oligopolies, as well as century-old transnational technical networks, to adapt their regulations to the emergence of new products and of new competitors (Kaiser-Schot, 2014; Thatcher, 2007). Technical innovation also led to lower cost for international transportation. Combined with the information technology revolution, it led to a progressive internationalization of the supply-chain, which further disrupted the system of "embedded liberalism". Lastly, as usual, contingency played an enormous role, not least in terms of elections. Without the Falklands invasion and North Sea oil, the Thatcher experiment might have met an early demise.

The success of market-oriented policies did not translate automatically into a neoliberal policy, i.e. a massive retrenchment of the Welfare state. The more severe the failure of the previous dirigist tools, the more the pendulum swung in the other direction. In the UK, the humbling IMF intervention of 1976 followed by the "Winter of Discontent" facilitated first a conversion to market-oriented policies with Callaghan, and then the neoliberal revolution under Thatcher. Similarly, in France, the massive nationalization of 1981 had shattered the previous right-wing consensus on the size of the public sector (Margairaz, 2001, 384). Hence, it paved the way for the large privatisation agenda of 1986. By contrast, the strength of "Modell Deutschland" during the 1970s led to relative stability, despite the neoliberal impetus of Lambsdorff.

Neoliberal Europe emerged mainly through the evolution of national policies (Blyth, 2002; Fourcade-Gourinchas and Babb, 2002; Prasad, 2006), in particular in Thatcher's Britain and

in Reagan's United States with tax breaks and a retrenchment of the welfare state. At the European level, the main neoliberal lever in those days was competition policy and not European monetary cooperation. The French choice of 1983 in favor of the EMS was not the main reason for austerity. It was rather the liquidity crisis linked to domestic choices which forced the French government to borrow on foreign markets, and hence to seek the solidarity of its partners.²⁸ The alternative would have been a humiliating recourse to the IMF, a daunting prospect for President Mitterrand, who was keen on bolstering his international status. By contrast, competition policy, a usually neglected field in social science, was at the vanguard of a neoliberal transformation of Europe because the delegation of sovereignty was important (more than in the monetary field), and because some commissioners used it aggressively to ban national state aid or to deregulate markets.²⁹ It would have been entirely possible to have a lenient competition policy, as in the 1970s, without the proactive action of those EEC actors. The European legislative environment of competition policy remained broadly the same throughout the period, even if the European Court of Justice case-law helped the Commission: there was almost nothing on competition in the Single Act, and no legislation on state aid after the Rome Treaty of 1957.

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Nevertheless, there was no inexorable march towards neoliberalism. In 1984, an internal British note deplored the “general drift of economic policy in some member-states towards increased public intervention”,³⁰ while the political scientist Peter Hall concluded in his seminal book of 1986: “preliminary indications suggest that the changes Thatcher has inspired are still far from permanent” (Hall, 1986, 130). Indeed, macro-economic indicators were not particularly better for Thatcher's Britain than for Mitterrand's France or Kohl's Germany in 1986 (see graph 2 and 3 in chapter 1): GDP growth was slightly higher, but so was unemployment. Thatcher's Britain did not increase its share of world exports between 1983 and 1993 when compared with France and West Germany (see graph 8 in chapter 1). Certainly, from the Dutch Ruud Lubbers to the Danish Poul Shulter or the Italian Andreotti, there was a general move towards market-oriented policies in Western Europe in the 1980s (Pedersen, 2016; Petrini, 2016b), but it did not mean a complete adhesion to Thatcherite neoliberal recipes. In those days, for Western elites, the economic models could be Reaganite, but also Japanese and its staunch neo-mercantilist policy, the export-led “Rhineland”

capitalism (Albert, 1993), or even the Italian local industrial clusters after the 1987 ‘sorpasso’, when Italy’s GDP per capita surpassed that of the British.

Similarly, the Single Act put at its core the Single Market, but it did not significantly reinforce either competition policy or monetary policy. Social Europe was still present through the social dimension of the Single Market (the harmonization of law concerning health, safety, environment and consumer protection), social dialogue, cohesion policy, while neomercantilist policy was visible in the targeted support of high-technology, and in the protection of certain sectors (VERs against Japanese cars).

To conclude, the period between 1973 and 1986 was characterized by the development of three different projects to regulate globalisation: socially-oriented, neomercantilist, and market-oriented, with the neoliberal one being a radicalized version of the latter. Those different visions were not fully implemented, but they remained a possible future to consider. The same holds true in institutional terms, when considering the EEC.

The choice of the EEC as a second best

The European Economic Community was clearly strengthened between 1973 and 1986 because it was deliberately chosen by the main Western European officials as the main forum to regulate globalization. The detailed examination of archives demonstrates that many other alternatives to the EEC had been envisioned. The most obvious was the purely national path, which had been a British temptation at various points during the 1970s, and a French quest during the 1981-3 period. The necessity of exporting goods and obtaining foreign currency to fund the national deficit signalled the end of this illusion. Another solution was the bilateral path. French officials strived to find a common ground with their German counterparts on macro-economic policy through the EMS in 1978-79,

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and then to solve the problem of non-trade barriers through bilateral dialogue in the early 1980s.³¹ French officials also promoted a “variable geometry Europe” but it led nowhere, except with Eureka, a programme that did not particularly favor France well in the end.

National leaders also attempted to bypass the EEC by using international organizations exclusively. The Thatcher government, and the German one to some extent, tried to play the GATT card in the early 1980s but they soon understood that the case for free-trade should be

made within the EEC first.³² The supporters of controlling multinationals realized that the texts adopted with the UN, the ILO and the OECD were pointless because their institutional frameworks were too loose, hence the contest over the EEC Vredeling directive (chapter 3). Those organizations were considered as insufficient in many areas where the EEC reinforced its competencies (trade, agriculture, the regulation of competition) or expanded it to new fields (monetary, certain social norms, regional policy).

The EEC had two advantages over those other alternative forms of international cooperation. First, its size made it both appealing, as it created a large market with 4 of the G7 members, and manageable, with 9 to 12 members between 1973 to 1986. There was a good balance between relevance on the international stage, homogeneity and efficiency. Conversely, international organizations were often paralyzed by the Cold War or by North-South tensions. Second, the EEC represented a compromise between intergovernmentalism and federalism. Member-states provided a decisive political impetus to the Community thanks to the newly founded European Council. In return, the EEC was useful to provide “credible commitments” (Majone, 1994; Moravcsik, 1998, 73-5). In other words, it means that German officials were sure that their French and British counterparts would not relapse into protectionism. For British leaders, it meant that they would not be isolated by a Franco-German deal, or by a “variable geometry” Europe. The Commission was influential but it was frequently divided between different economic orientations, not to mention conflicting national interests. Nevertheless, supranational constraints began to chafe national governments. Historical institutionalism informs us that “path-dependency” was created by previous decisions which created “unintended consequences”. Hence the frustration of many French leaders (from President Giscard d’Estaing who wanted to curb the Court of Justice’s power, to the officials irritated by state aid control under Mitterrand), but also in Germany (with the steel crisis or the control of regional aid).³³ The British government also discovered the discrepancy between what they expected and the reality of the functioning of a semi-federal institution. The failed British veto of 1982 demonstrated that some degree of peer pressure existed. Blackmailing the EEC by an “Empty Chair” policy as De Gaulle did in 1965 was not an option anymore. Similarly, when Mitterrand was confronted with the prospect of a significant broadening of the use of qualified majority voting at Milan in 1985, he could not block it despite his initial reluctance, so involved was he in the “Relaunch” of Europe.

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The EEC in 1986 was more integrated than in 1973 because it covered more policies and its institutions were stronger. This gradual reinforcement raised increasing concerns about the political nature of the Community. On the one hand, the technocratic nature of the EEC cannot be disputed. It stems from the general trend towards a reinforcement of administrative governance in national governments starting in the 1930s (Lindseth, 2010). On the other hand, the increasing European integration, the initial enlargement in 1973, and strained US-EEC relations in the early 1970s led to a reflection on the necessity of the democratic nature of the Communities. The aim was to transform the EEC into a political community based on shared values and expectations, hence the Copenhagen declaration of 1973 on European identity (De Angelis and Karamouzi, 2016; Gfeller, 2012), the increasing activity of the European Community on the international arena (Ferrari, 2016; Romano, 2009; Zaccaria, 2016), the direct election of the European Parliament (decided in 1975 and implemented in 1979) and the controversies over the European public sphere (Meyer, 2010; Schulz-Forberg and Strath, 2010). As a matter of fact, the debate on European identity can be combined with the threefold typology of economic policies. Promoters of a social Europe put an emphasis on the welfare state as a constitutive element of the European identity, while defenders of a neomercantilist Europe insist on the necessity of defining a European preference for private companies. Conversely, those who identified with a market-oriented Europe consider European cooperation as intertwined with the global liberalization of trade. For them, the EEC is only one element within a larger Atlantic or Western community. The clash between those conceptions was obvious at certain points, especially when French officials tried to promote the notion of “European preference”, only to back away for technical reasons (the difficulty was to define what was a genuinely “European” company), for political ones (the opposition of many actors, in particular the German government), but also for macro-economic ones - as a major exporter, France could hardly launch what could be considered as a *casus belli* for a trade war.³⁴

From the perspective of the international regulation of globalisation, there was a strong complementarity with the GATT, where the European Commission represented the member-states. The same could be said for the G7 and the European Council meetings, despite initial disputes over the participation of the European Commission (Garavini, 2006; Murlon-Druol, 2010). The OECD and the ILO provided technical expertise and sometimes, especially the OECD from the late 1970s onwards, an ideological influence (Mechi, 2014; Schmelzer, 2016). This was true also for the European Social Charter, adopted in 1961 by the Council of Europe, and which influenced the EEC/EU Charter adopted at Maastricht. The Council of

Europe also had a pioneering role concerning Human Rights, culture, heritage and the definition of European symbols (Kaiser and Patel, 2017). Moreover, the EEC was not successful in all issues. In high-technology, the EEC cooperation was limited to precompetitive R&D. The most important ventures were intergovernmental, such as Airbus. On monetary matters, the EMS was only a relatively modest agreement from the institutional point of view.

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The failure to set up a European Monetary Fund despite the wording of the EMS agreement persisted even after the creation of the European Monetary Union by the Maastricht Treaty. It left the IMF as the main institutions to deal with major financial crises, as the Eurozone crisis of 2011-3 demonstrated. Oil issues, and energy problems more generally, were handled within the OECD framework with the creation of the International Energy Agency (IEA), although it was weakened by the French initial non-participation (Beers, 2016). In some fields, the failure of international cooperation was blatant: there was no concerted stimulus after the failure of the “locomotive” attempt of 1978.³⁵

All in all, a combination of international organizations took part in the management of globalization, with which the EEC articulated its action (see table below).

Bonn at the Center of the European Stage

The detailed examination of the decision-making process through previously uncovered archival records is helpful to assess the balance of powers within Western Europe for the five actors studied: transnational actors, the European Commission, and the three governments of Britain, France and West Germany, with the latter’s role being largely re-evaluate.

To begin with, transnational actors certainly played an important role, although the examination of their role in the contest for the control of multinationals presents a contrasting picture: whereas business could launch a targeted lobbying campaign at the European Parliament, European trade-unions were less effective within the EEC framework. The labor movement was divided and the ETUC prioritized issues that could not be easily solved at the EEC level such as the reduction of working time.³⁶ Regarding the Single Market programme, it is true that some thinking by transnational actors on the elimination of non-tariff barriers chimed well with Delors’ plan but those ideas had been hanging in the air for a long time,

with a first proposal by the Commission in 1968.³⁷ In terms of the movement of ideas, an embryonic transnational network existed in the labor movement around different themes, such as planning, or the reduction of working time, but it was not matched by a corresponding efficient political network.

Second, the European Commission appears to have been an influential but very divided actor. It was neither a bunch of federalist technocrats nor a mere association of representative of national governments. Thatcher was irritated by Cockfield's leviathan programme of European laws encompassed in the Single Market programme, while Mitterrand blocked Delors' ambitions regarding industrial policy.³⁸ The Commission was a diverse crew of individuals not united behind any single manifesto, which is generally the case for members of a national government. Commissioners in charge of competition frequently clashed with those in charge of industrial policy or of the regulation of a sector.

The efficiency of the Commission depended on the ability of its commissioners to create alliances within the EEC institutional system

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Table 10.1 : The organizations regulating globalization (1973-1986)

	International organizations (IO)	EEC regulation	Articulation EEC/ IOs
Social	ILO: production of norms and technical assistance for the implementation. Council of Europe: intellectual role (1961 European Social Charter).	Production of norms and implementation within a semi-federal framework.	Intellectual role of the ILO. Implementation by the EEC in specific areas.
National Financial Crisis	IMF.	EMS (1979) but no European Fund.	Major role of member-states and of the IMF (depending on the cases). Loose EMS framework.
Coordination of macro-economic policies	Attempt by the G7 based on OECD expertise in 1978.	Coordination through the EMS and the European Council. Intergovernmental commitment for macro-economic convergence.	Intellectual role of the OECD. Major role of member-states.
Trade : tariffs and custom duties.	GATT.	EEC: federal policy since the start.	Couple GATT-EEC.
Trade: non-tariffs barriers	GATT: non-binding regulation after the Tokyo Round. Sectoral organizations of normalization.	EEC: federal policy mainly after the Single Act (1986). Delegation to sectoral organizations for detailed specifications.	Leading EEC role after the Single Act.
Competition	Discussion over non-binding texts (GATT, OECD, UN, UNCTAD).	EEC: weak common policy after 1962, with a growing influence from the 1980s onwards.	Leading EEC role.
Agriculture	FAO : normalisation (<i>Codex alimentarius</i> , etc.).	EEC: federal policy after 1962.	Leading EEC role.
Energy	OECD, IEA: studies and attempts at coordination.	Only studies.	Weak OECD/IEA leadership.

(with the member-states, the Parliament and the Court) by setting up a programme which could appear both credible from a technical point of view, and feasible in terms of economic and institutional implementation. This means that openly federalist commissioners such as Mansholt or Spinelli, or ineffective ones such as Vouel and Vredeling, were doomed to failure. Vredeling acted too late in presenting the directive on the control of multinationals, and in addition he made a series of technical errors.³⁹ By contrast, Davignon, Cockfield and Delors succeeded as they were able first to justify the economic utility of an action at the EEC level (compared to the existing national policies or to other international foras) and second to garner support among member-states thanks to their political clout and to their technical expertise.⁴⁰ Narjes, Andriessen and Sutherland also played an important role in asserting the administrative credibility and efficiency of the Commission. This factor is crucial: without efficient commissioners, the EEC institutional system cannot deliver. Hence the “integration-through-law” dynamic is not based on the European Court of Justice alone, as the limitations of *Cassis de Dijon* demonstrates, but on the capacity of the Commission to harness this Court’s jurisprudence (which by the way frequently contradicted the Commission’s decisions and/or reasoning).⁴¹

At the helm of the Commission, Delors played a major role in the EEC.⁴² He was a renowned expert even before assuming ministerial duties in 1981. From 1985 onwards, he was a much more powerful President of the European Commission than his predecessors (with the exception perhaps of the first one, Walter Hallstein⁴³). He cannot be considered to have been a puppet of the French government since he developed a distinctive vision of Europe which was more decentralized (with a major role given to trade-unions) and supranational than the one defended by Mitterrand. Indeed, the French government did not support most of his socially-oriented and neo-mercantilist projects. It even torpedoed the Delors agenda over industrial policy with Eureka.⁴⁴

Third, the British government appeared much less committed to free-trade and more pro-European than usually portrayed. As a matter of fact, EEC tariffs were lower than the British ones before London joined the Community in 1973.⁴⁵ In the 1970s, the Labour government was frequently more protectionist than the French one. In contrast, Thatcher was genuinely committed to international free-trade and to a staunch alliance with the US, but she had often supported an offensive EEC position in many trade stand-offs with Japan and even with the US.

Moreover, her government was more pro-European than is usually thought, at least until 1988. Thatcher certainly imposed a much more confrontational style over the budget and the CAP, but she also supported projects to develop new European policies, in high-technology and with the Single Market. She actively promoted the writing of two memoranda in 1984 and in 1985. This contrasted with the ambiguous relationships of her labor predecessors, Wilson and Callaghan, while the pro-EEC Jenkins had a mixed record as President of the European Commission (Ludlow, 2016). London was more pro-European than Bonn in terms of high-technology and of deregulation.

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British officials did not make those propositions out of European idealism but for pragmatic reasons: the Single Market enjoyed support after the original plan to prioritize the GATT proved ineffective.⁴⁶

The awkwardness of British officials condemned some of those initiatives to oblivion. From the failed veto of 1982 to the botched handling of the memoranda, they never succeeded in conveying a positive impression within EEC institutions. They nevertheless managed to be effective, as the outcome of the Single Act demonstrates, even though Thatcher would never be crowned “Founding Mother of the New Europe” (Gillingham, 2003, 494). She was certainly annoyed by the prospect of hundreds of laws flowing from Brussels and by the social and neo-mercantilist orientations that were still present in the Single Act.

Fourth, the French leaders liked to portray themselves as spearheading the European communities. Certainly, Paris played a leading role in the creation of new European policies, from the EMS in 1978-79 to the “Fontainebleau Relaunch” of 1984 which led to the Single Market of 1986, whereas Kohl had failed to “relaunch” European Integration at Stuttgart in 1983. Giscard d’Estaing and Mitterrand could genuinely portray themselves as major figures in the process of European integration. They were helped by actors such as Barre and Delors who gave them credibility in Europe.

However, the French government certainly imagined many solutions other than European cooperation. Giscard d’Estaing and Mitterrand greatly valued the G5/G7 forums. Mitterrand tried to launch an industrial policy within this framework after the G7 Versailles meeting but it quickly failed. In Europe, Paris wanted to promote “variable geometry”, namely an ad-hoc European organization without the British, and sometimes with only a token role for the Commission, as exemplified by Eureka in 1985, or by what Delors called the French’s “new

Fouché Plan” presented at Milan in 1985. The French government remained constrained by a gaullist and centralist mentality according to which the Commission should remain a technical agency. It finally accepted a large extension of qualified majority voting in the Single Act of 1986 but only because it could not block the momentum that it unleashed at Fontainebleau in 1984, and which was strengthened by the Italians in Milan in 1985.

Because of this reluctance against the Commission, many French officials who were willing to promote a more social and/or more neo-mercantilist regulation of globalization had an ambiguous relationship with the EEC. Under Giscard, France supported the EMS but not the creation of a European Monetary Fund. The President tried to thwart the rise of the Court of Justice. Following that, the Socialist government did not seriously support many issues of social Europe, such as the Vredeling directive, a concerted stimulus, or a concerted reduction of working time. Paris was still obsessed by the CAP and by monetary cooperation. It launched other projects, such as a European industrial preference, or a more assertive European commercial policy, but they were discredited by the perceived failure of the macro-economic policy in 1981-3, as well as by counter-productive protectionist outbursts.

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Finally, the West German government can be considered as both genuinely pro-European and as assertive in the defence of what it considered to be its national interest. Archival records reveal many instances where the necessity of supporting European integration even at an economic cost played a role in the decision-making process, notably during the steel crisis. The German government had also always strived to preserve the unity of the EEC, by opposing both any excess of British exceptionalism, or the French dreams of “variable geometry”. Bonn had effectively supported Paris during its financial difficulties of 1981-3, managed to keep London on board during the budget crisis, and it was the main victor of the Single Act negotiation because it had only minimal aims.⁴⁷

The central place of the German government was also linked to the absence of any rapprochement between the British and the French governments. The English Channel remained an insurmountable barrier, despite an obvious proximity in terms of interests before the Thatcher era: Paris and London both opposed Bonn on the necessity of launching a concerted stimulus and of supporting the EEC manufacturing industry through neomercantilist policies. It is also possible to imagine that if the Labour government had been committed to developing European social policies, it could have counted on the support of

Boulin in Paris, of several SPD ministers in Bonn, and of Jenkins in Brussels. Anyway, the lack of any positive project for Europe under the Wilson and Callaghan governments condemned any perspective of unity of action with Giscard d'Estaing, especially since the latter was naturally turned toward Schmidt. "Modell Deutschland" was more attractive than a Great Britain apparently mired in a seemingly irreversible decline.

Certainly, the German government had not hesitated to clearly articulate and promote its national interests, as demonstrated by the negotiations over industrial policy, the budget, competition policy, and over the CAP, with the veto of 1985. From the institutional point of view, German officials were wary of the development of the European Court of Justice (Davies, 2012) and thus their projects of institutional reforms were relatively modest.

However, the German government was not dominating Europe. Bonn played a major role for several reasons: it often had an intermediate position between Paris and London; it acted as a strong supporter of European integration; and it usually had modest aims. Moreover, the German government was usually deeply divided. Lambsdorff appeared frequently as the more neoliberal and as the less pro-European, even though he was not anti-EEC. He frequently wielded the prospect of a German veto against the more EEC-enthusiast Genscher. He clashed also with many SPD officials who wanted to promote a more active industrial policy, especially in high-technology, or with Länder willing to support their manufacturing industry. All in all, this book contends that the German government had a central place in Western Europe but it was not a hegemonic power.

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Epilogue: Neoliberal and Social Europe 1957-2017

The threefold classification of socially-oriented / Neo-mercantilist / market-oriented is of interest beyond the examination of the period ranging from 1973 to 1986. Firstly, it is useful to demonstrate how a single public policy can have different purposes and potentialities as the table 10.2 underlines (see below). Indeed, European monetary cooperation can have a more social orientation if it leads to lower interest rates in countries with weak currencies, and to concrete forms of solidarity if a European monetary fund were to be set up. This is the same for competition policy. When it targets unfair benefits of private companies abusing a dominant position, it can be socially-oriented, as demonstrated by the call of countries from the South to regulate the unfair practices of multinationals in the 1970s. By contrast, when it

targets state aid, nationalized companies and national industrial policy, it can have a strong neoliberal streak.

The balance between these three models and four types of economic policies is determined by the relative influence of networks of actors, by the constraints and opportunities offered by the context, but also by dynamics informed by historical institutionalism such as path-dependencies created during critical junctures, all of which constrain future choices for all major policies.

These phenomena are particularly obvious when examining the evolution of the EEC/EU since its foundation in 1957. The imbalances of the CAP were defined in the 1960s and contributed to the budgetary rows through 1984, and the subsequent reforms of 1992 and 2003 (Ludlow, 2005). Similarly, regarding competition policy, the first regulation passed in 1962 had tremendous consequences for decades since it was not repealed prior to a regulation of 2003 which completely overhauled the system (Warlouzet, 2016a). The dynamism of several European commissioners in the 1980s helped the Commission to become the main institution to deal with cartels, mergers, and the deregulation of air transport and of telecommunications, whereas it would have been entirely possible to attribute those competences to national authorities, or to other international organizations. In terms of social policy, a major breakthrough occurred in the 1970s with the steady development legislative activity concerning gender equality, of health and security and of environment, as well as with the creation of a regional policy. This influenced the type of issues debated within EEC/EU institutions (and those which are ignored) for decades to come. The failure of the Vredeling directive closed the small window of opportunity regarding the control of companies opened in the mid-1970s. In terms of industrial policy, the failure of the concept of “European preference” and of Davignon’s attempt to extend the steel policy template to other sectors, contributed to the emphasis on cooperation in high-technology and research. With regard to macro-economic policy, the failure of the concerted stimulus of 1978 and of the establishment of a European Monetary Fund is still weighing heavily on current debates regarding the architecture of the eurozone.

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Table 10.2: modes of economic and social governance

	Socially-oriented	Neo-Mercantilist	Market-Oriented	
			Market-oriented	Neoliberal version
Aim	Redistribution to improve the situation of the least-favored people	Local industrial might	Free the market to unleash growth	
Social policy (chapters 2, 3 and 4).	Strong	Subordinated to industrial policy.	Preservation (but not extension) of the Welfare State.	Retrenchment of the welfare state.
Commercial policy (chapter 4).	Neutral. Free trade to lower the price of popular goods, or neo-protectionism to protect local jobs.	Neo-protectionism	Free-trade.	Free-trade, including an extensive removal of non-tariffs barriers which could jeopardize national policies.
Macro-economic policy (chapter 7).	Support of demand and in particular of consumption.	Supply-side policy. Support of investment	Stability.	Stability and diminution of public expenditure. Lower taxation.
Monetary cooperation (chapter 7).	-Reduction of interest rates -Assistance during financial crisis (possibly through a European Monetary Fund)	-Reduction of interest rates. -Protection against competitive devaluation	-Convergence towards stability-oriented policies.	
Competition policy (chapter 8).	Against domination of power which could raise prices; control of multinationals.	Weak to protect producers.	Strong to protect consumers.	Strong against state interventions.
Industrial policy (chapters 4, 5 and 6)	Strong to support employment.	Strong to support industrial might.	Only horizontal measures which do not distort market forces (R&D).	Absent.
Treaty of Rome (EEC)	-tolerance for national welfare state; -European Social Fund; -European Investment Bank (and later on, regional policy). -Development policy. -CAP.	-tolerance for national industrial policy. -competition policy -ECSC provisions. -CAP.	-common Market. -competition policy. -coordination of macro-economic policy.	

More generally, since 1957, when the Treaty of Rome was signed, five critical junctures can be distinguished. In 1957-8, the end of the reconstruction of Western Europe and the ensuing return to international free-trade and currency convertibility led to new international arrangements, in particular the EEC and a rising role for the GATT. The next two critical junctures have been dealt with in this book: 1973 with the oil crisis, and 1986 with the Single Act and the opening of the Uruguay Round. The last two will be briefly explained, with the following table summarizing the argument.

After 1986, the context changed radically. The pressure of globalization became even more daunting, with new competitors outside Europe (China, etc.) and within Europe (the ex-communist countries of Central and Eastern Europe). The Uruguay Round concluded in 1994 and it contributed to a global trend of liberalization of flows not only for industrial goods, but also for capital and for some agricultural products and services. After the Uruguay Round, the WTO replaced the GATT but it failed to conclude a new round of trade liberalization and to develop its competencies in non-trade issues such as the regulation of competitive practices. The “ad hoc” US take on globalization decisively gained the upper hand over Western European ambitions to promote a “managed globalization” based on constraining multilateral rules (Abdelal and Meunier, 2010). Multinationals were free to act without serious international constraints. This led to growing protests.

In Europe, this organizational vacuum at the global level further strengthened the EEC/EU. The Union was enlarged to 28 countries, and at the same time it expanded its policy scope, not least by setting up a monetary Union in 1999, a surprising outcome considering the German government’s persistent opposition to it and the difficulties of the 1990s (James, 2012; Verdun, 2002). Its institutional settings changed with the empowerment of the European Parliament. A growing number of economic issues acquired a “European” dimension in terms of instruments, of actors and of definition (Mangenot and Rowell, 2010; Smith and Jullien, 2015).

However, this evolution did not lead to a unique form of regulated globalization in Western Europe because the three types of economic policies have still been present. Certainly, the market-oriented side has become prominent, with a clear neoliberal orientation. This is visible at the national level, both in Western Europe with progressive reforms, and most of all in ex-Communist Europe, most of which embraced drastic liberalization packages (Ther, 2016). At the EU level, this move is clearly expressed by the centrality of the competitiveness paradigm, often promoted through the recourse to expertise (Jullien and Smith, 2015). This has

legitimized a major strengthening of competition policy. The Commission attacked national industrial policies by fostering deregulation and privatization, as old national monopolies were perceived as chronically inefficient, even by some social-democrats.⁴⁸ The deregulation of many sectors brought competition to air transportation, telecommunications, postal services, energy, railways, etc. while the directive on posted workers adopted in 1996 increased intra-European competition for several types of jobs, notably in the construction industry. Lastly, European Monetary Union contains ordoliberal features (Dyson, 2016).

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Table 10.3: EEC/EU regulation of globalization, 1957-2017

	1957-8	1973	1986	1989-91	2008-?
Factors of change	-End of the reconstruction for Western Europe -New reminder of the decline of Western Europe (Suez, Sputnik)	-Oil shock -Growing competition from non-Atlantic exporters	-Recovery but in a constrained financial environment -Failure of the NIEO and return of the West -Led to: the Single Act and the opening of the GATT Uruguay Round	-End of the Cold War -Perceived success of the Single Market dynamic -Led to: the Maastricht Treaty	-Financial and then Eurozone crisis. -Decline of the liberal West compared to China and Russia.
Socially-oriented	-national welfare states -Harmonization of laws in few areas -CAP -European development fund	-Idem. -regional policy -North-South dialogue	-Harmonization of laws in specific areas (gender, health and security, environment) -tripartite dialogue leading to European-wide agreements -Regional policy reinforced (1988)	-EMU -European Social Charter -Cohesion policy bolstered notably toward the East. Catching up of some countries (Spain, Ireland)	-Idem -EMU: financial assistance -use of competition policy to control multinational (Apple). -OECD attempts at limiting fiscal evasion -quantitative easing / OMT (helped to fund national welfare state)
Neo-mercantilist	-national industrial policies -CAP -European intergovernmental ventures. ⁴⁹	-Idem -NOEI attempt -measures to organize world markets (cartels, Stabex, MFA, VER). -defence against the US -EEC steel policy.	-Support in high-technology -preservation and slow decline of the VER and of MFA.	-Support of infrastructures -Decline (reform of the CAP, abandonment of VERs, deregulation against national champions)	-Rescue of banks and of some major manufacturing industries -quantitative easing / OMT (helped companies)
Market-oriented	-Common Market -GATT	-Idem -EMS -OECD Intellectual role	-Idem -Single Market	-EMU -GATT-WTO	Preservation of international free-trade but failure of the WTO
Neoliberal			-Competition policy.	-Competition policy - EMU -some measures of the Single Market program (Bolkenstein directive)	-EMU-IMF: harsh conditionality during financial assistance, belated and limited Greek debt relief.

					-Limited regulation of multinationals
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The European Central Bank is both independent and concentrated on taming inflation, rather than on the dual aim of ensuring “maximum employment” and “stable prices” as in the US Federal Reserve case⁵⁰. Some member-states, notably the French socialist government of Lionel Jospin (1997-2002), tried to move away from this orientation. Paris promoted a reform of the EMU Stability Pact and of article 90 EEC which served as the basis for the deregulation of many sectors, but without a clear success, bar the inclusion of the notion of “service of general interest” in the Treaty of Amsterdam (1997) and renaming of what became the “Stability and Growth Pact”. This neoliberal orientation fuelled the crisis of legitimacy of the European Union, which had been perceived as incapable of regulating globalization.

At the same time, some Western European leaders still successfully promoted a socially-oriented regulation of globalization through EEC/EU institutions. The Delors Commissions (1985-95) adopted an extensive interpretation of the adoption of qualified majority voting for health and safety at work. Between 1989 and 1993, they managed to adopt major texts such as the Framework Directive on Health and Safety, the Pregnant Workers’ Directive, and the Working Time Directive, the latter being unsuccessfully contested before the Court by the UK government (Giubboni, 2006). Delors also managed to insert in the Treaty of Maastricht the Social Charter, with an opt-out for Britain. He also decisively strengthened regional policy in 1988 and in 1993 (Jabko, 2006, 121-146). The poorer countries benefited from a windfall of European funds to develop their infrastructure. Some of them, such as Ireland, are now well above the European average in terms of wealth. The Maastricht Treaty also empowered the social partners to conclude collective agreements that could become legally binding after the Council’s approval. This led to a string of decisions, for example on parental leave or on part-time work in 1996-97 (Didry and Mias, 2005). More generally, legislation concerning health and security, gender equality and environmental issues expanded at the EEC/EU level, sometimes by providing more social benefits than what national laws offered.

However, this did not prevent a major shift from social policy to a focus on employment, and hence on the competitiveness paradigm. Major rows over social policy took place not only at the Council, but also within the Commission. Promoters of harmonization toward the lowest common denominator clashed with defenders of high standards for health and security and for

environment. Some ambitious pieces of legislation remained toothless. The representation of workers at the corporate board level has materialized thanks to the directive 94/45 of 1994 establishing European Works Council. It was upgraded in 2009, but it is still largely non-binding. Hence, it does not prevent intra-site competition within Europe. For example, Renault's European Works council was not consulted on the closure of the Belgian factory of Vilvoorde in 1997 (Berthet et al., 2015, 205). With the Eurozone crisis, social Europe been presented as a "dead-end" (Lechevalier and Wielgohs, 2015) but in reality, its form is constantly evolving. Paradoxically, competition policy, which was a major lever to nurture a neoliberal Europe, has recently been used in a much more socially-oriented way with recent cases over fiscal evasion, in particular the 2016 Apple ruling.

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Indeed, by targeting a massive Irish fiscal aid concession made to a successful multinational, the commissioner for competition single-handedly revived the debate over the control of multinationals.

Meanwhile, of course, neomercantilism has been present for a long time at the EEC level. For example, the automobile market was still organized around the defence of "European champions" until 1991 (Jullien, Pardi and Ramirez-Perez, 2014). Thereafter, the end of Japanese voluntary export restraints and the Eastern enlargement signalled the end of a European neomercantilist approach specific to car-making. The CAP maintained a strong neomercantilist streak until the 1992 and 2003 reforms. Even the EMU was defended by some actors as a tool to more boldly assert European interests ahead of the American interest in international monetary negotiations. Today, neomercantilism in its traditional form is embodied by Chinese state capitalism, with countless internal barriers to foreign imports and foreign takeovers.

Neomercantilist approaches have certainly been renewed. The definition of industrial policy has changed, with a stronger emphasis on the need to encourage structural adjustment rather than to prevent it. In this sense, industrial and competition policy can be seen as complementary in certain sectors, such as telecommunications (Sauter, 1997). However, when competition policy was spearheaded by the neoliberal Leon Brittan, it played a major role in eradicating neo-mercantilist practices. The British commissioner banned the purchase of a Canadian builder of aircraft by its Franco-Italian competitor, ATR, following a narrow interpretation of competition rules. This led to a clash within the Commission between the neoliberal Brittan and the President Delors who defended the strengthening of the European

high-technological sector (Ross, 1995, 176-80). Subsequently, neo-mercantilism remained active at the national level through regular calls for “economic patriotism” (Clift and Woll, 2013). Sectors perceived as strategic - armament and aerospace, but also finance in the UK or the food industry in France - have been staunchly defended by national governments. As usual, the United States has mixed a professed commitment to free-market rules and an inclination towards *ad hoc* neo-mercantilist solutions during the most recent economic crisis, with massive bailouts of banks, insurance companies and carmakers. The recently elected President Donald Trump now openly supports neomercantilism.

The current economic crisis, lingering since 2008, can still be seen either in poor macro-economic indicators (growth, unemployment, debt) and/or in rising inequalities (even in countries with good macro-economic indicators). Such a situation might alter the balance between these three types of economic policies. Certainly, the neoliberal approach prevailed at first. During the Eurozone crisis, southern European countries underwent a massive adjustment between 2009 and 2015, with current account deficits being transformed into surpluses thanks both to a drop in demand (linked to the economic crisis) but also to a painful process of internal devaluation (i.e. a fall in relative wages) (Saadaoui, 2016), much more than through solidarity. This adjustment was clearly neoliberal as it led to a massive retrenchment of the welfare state.

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On the other hand, the crisis has led to the creation of a permanent instrument of financial solidarity among Europeans, the European Stability Mechanism (ESM), which materialized earlier attempts at creating a European Monetary Fund. More recently, the IMF, the OECD and the European Commission have revived the idea of a concerted macro-economic policy of reflation for surplus countries, such as Germany, echoing the debates of 1978.

Institutionally, the strengthening of the European monetary and financial institutions had led to calls for a more formal separation between Eurozone and non-Eurozone states (Fabbrini, 2015), an evolution which could certainly be fostered by Brexit. The two-speed Europe desperately advocated by the French might eventually come to be if three concentric zones are organized: a small Eurozone, a middle-sized EU and a large European Economic Agreement with Norway and the UK (or some form of customs union, such as the one linking EU and Turkey) which would be reminiscent of the first European organization, the OEEC, but with a membership encompassing the ex-communist countries.

A new critical juncture might be visible in 2016, with the Brexit vote and the election of Donald Trump. These events could be interpreted as a reaction against the excesses of a

neoliberal globalization, but also as a symptom of the decline of the West and of its liberal values (in the economic and political senses), facing the neomercantilist and more authoritarian Russia and China. National solutions are coming back to the fore compared with European and international cooperation. There are some similarities with the years following the 1929 and the 1973 economic crisis, but the contexts have changed, not least because of the role of several major international organizations. Past alternatives cannot become possible futures, but they can inform us about the possible choices currently available.

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¹ This interpretation is present in many books as an underlying assumption. Among those who have developed it the most explicitly and with an historical approach are: Denord and Schwartz, 2009; Gillingham, 2003.

² For more details on the definition, see below and chapter 1.

³ See chapter 1 for a reflection on the different types of globalization.

⁴ On the political and institutional history of the EEC/EU, see Luk van Middelaar's recent book: Middelaar, 2013.

⁵ Several are taken into account in this book, such as the Vredeling directive (chapter 3) or the Albert/Ball report (chapter 6).

⁶ See for example the account of the EEC budget negotiations: NA-UK, PREM19/133, steering brief, 22 November, 1979; AAPD/1983/338, note on a Kohl-Thatcher meeting on 9 November 1983; AAPD/1984/29, note on the Kohl-Mitterrand meeting on 2 February 1984. Abbreviations of archival references are provided in the list of unpublished sources at the end.

⁷ The six original member-states were Belgium, France, Italy, Luxembourg, the Netherlands and West Germany; Britain, Denmark and Ireland joined in 1973, as well as Greece in 1981, and finally Spain and Portugal in 1986.

⁸ See chapter 9 on the 1985 Milan Council, chapter 2 on the Common agricultural policy, and chapter 8 and 9 on air transportation.

⁹ NA-UK, FCO98/948, note on the Second UK, 22 July 1980.

¹⁰ NA-UK, FCO30/4112, Sir Donald Maitland Valedictory Despatch, 31 October 1979.

¹¹ See in particular the chapter 9 on the "Relaunch of Europe", and on the European Monetary System: chapter 7 and Mourlon-Druol, 2012a.

¹² For an historiographical account of recent studies on business organizations and the EEC/EU, see : Badel and Michel, 2011 ; and for a case-study : Bühner and Warlouzet, 2013. On the ETUC, see the official history: Degryse and Tilly, 2013; and a case-study: Petrini, 2013.

¹³ See below for the literature review. Notable studies on the interaction between the EEC and other international organizations on the period spanning 1973 to 1986 includes: Coppolaro, 2016; Garavini, 2012; Kaiser and Patel, 2017; Mechi, 2014.

¹⁴ See among others: Clavin, 2005 ; Dullin and Singaravélou, 2012 ; Kott, 2011; Patel, 2010; Reynolds, 2013.

¹⁵ Hence, in this book's footnotes, archival references are systematically preferred to memoirs for matters linked to the decision-making process.

¹⁶ For example, John Gillingham asserts that Thatcher's economic reforms "were absolutely necessary" (p. 179); which explains their implementation at the European level (Gillingham, 2003).

¹⁷ See also in French: Cohen, 2007. Also

¹⁸ See for example on the left: Denord and Schwartz, 2009; on the right: Gillingham, 2003.

¹⁹ See more details on the bibliography in each chapter. Note that only volumes dealing with economic topics are mentioned here. Studies devoted to cultural and political history are more numerous.

²⁰ See chapter 2.

²¹ See chapter 2 (for European planning), 3 (for multinational control) and 7 (for the concerted stimulus).

²² See chapter 4, 5 and 6.

²³ See chapter 7.

²⁴ See chapter 5, 7, 8, and, for price policy : Warlouzet, 2016b.

²⁵ See chapter 6.

²⁶ See chapter 2.

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- ²⁷ NA-UK, PREM19/1025, note on a conversation between Chirac and Lawson, 30 November 1983.
- ²⁸ See chapter 7.
- ²⁹ See chapter 8.
- ³⁰ NA-UK(FOIA request), MWB021/1, note Martin, European Community Meeting, 12 June 1984.
- ³¹ See chapters 7 and 9.
- ³² See chapter 9.
- ³³ See chapters 8 and 9.
- ³⁴ See chapter 6.
- ³⁵ See chapter 7.
- ³⁶ See chapter 2.
- ³⁷ See chapter 9.
- ³⁸ See chapter 9.
- ³⁹ See chapter 3.
- ⁴⁰ See chapters 5 and 9.
- ⁴¹ See in particular over competition policy : chapter 8; on Cassis de Dijon and the completion of the single Market: chapter 9.
- ⁴² See chapter 9.
- ⁴³ Consider for example his role in the institutional assertion of the EEC as a Community of Law (Davies, 2012 ; Loth, 2015; Vauchez, 2014).
- ⁴⁴ See chapter 9.
- ⁴⁵ See chapter 4.
- ⁴⁶ See chapter 9.
- ⁴⁷ See chapters 2 and 9.
- ⁴⁸ Karel van Miert, who was commissioner for competition between 1995 and 1999, complained about the Belgium Postal Office, although he recognized that some state-owned monopolies in other countries, such as France, were more efficient (Van Miert, 2000, 51).
- ⁴⁹ For example, the Franco-German cooperation to build a military transport aircraft (later called Transall) originated in 1957-58.
- ⁵⁰ See: <https://www.federalreserve.gov>.