‘Social Europe’ in the long 1970s

The story of a defeat

Aurélie Andry

Thesis submitted for assessment with a view to
obtaining the degree of Doctor of History and Civilization
of the European University Institute

Florence, 4 December 2017

European University Institute
Department of History and Civilization

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To my brother

And to all my sisters

Thesis Abstract

'Social Europe' is an elusive concept. Although largely forgotten today, it was a vibrant idea and project in the 1970s. Promulgated mostly by West European social-democratic forces, it was basically a European governance reform project. Its fundamental objective was to transform the nature of European cooperation and integration, by using the European Community as a vehicle to realise democratic socialism in Europe. 'Social Europe' took shape around the ideas of wealth redistribution, social and economic planning, economic democratisation, improved working and living conditions, regulation and control of economic forces, guarantee of the right to work, upward harmonisation of European social regimes, and access to social protection for all. It also included environmental concerns, democratisation of the European Community's institutions, and claims to rebalance the international system to favour the development of the rising 'South'. It made ambitious proposals to empower the Community in the social field and to increase social and economic coordination between its member states. It was, in short, a proposal for a radically different future than the one we actually inhabit today.

This work investigates the rise and demise of 'social Europe' in the 'long 1970s'. It highlights the socialist efforts to build a common European project, explores the concrete proposals it contained, traces its evolution and assesses the strategies and alliances envisaged between the different forces of the Left for its realisation. It sheds light on the reasons for the defeat of 'Social Europe', which had long-lasting, and arguably dramatic repercussions for the nature of European integration and European societies, for the relations of Western Europe with the rest of the world, for the history of capitalism and its shift to the 'neoliberal' paradigm, and for the 'European Left' itself.

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Since I only have three minutes left before I run to the Secretariat and submit this long-overdue masterpiece, I will go straight to the point. This work would never have seen the light of day without the support and thoughtful advice of many people. I am especially grateful to my supervisor, Federico Romero, for giving me a chance to get on board this life-changing experience, for being an attentive guide and an inspiration, and above all for the constant support and compassion he has shown during these years. I am most grateful to Eric Bussière who gave me the opportunity to teach at my home University in Paris, the Sorbonne. My students have reinforced day after day my conviction that history, like all human and social sciences, only comes to make sense if it sheds light on our present, and helps us fight for a better future. I thank them for their polite enthusiasm.

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With all my heart, I would like to thank my families, friends and comrades, for their unconditional love and support.

Finally I want to thank my first grade English teacher, Mrs Read, who would be horrified if she knew I wrote an entire PhD thesis in English.

List of Acronyms

AELE/EFTA	Association Européenne de Libre Echange/European Free Trade Association
BEI/EIB	Banque Européenne d'Investissement/European Investment Bank
CAEUE	Comité d'Action pour les Etats-Unis d'Europe
CAP	Common Agricultural Policy
CECA/ECSC	Communauté Européenne du Charbon et de l'Acier/ European Coal and Steel Community
CED/EDC	Communauté Européenne de Défense /European Defence Community
CEDEFOP	Centre Européen pour le Développement de la Formation Professionnelle
CE/EC	Communauté Européenne/European Community
CEE/EEC	Communauté Economique Européenne/European Economic Community
CESL/EFTUC	Confédération Européenne des Syndicats Libres/European Free Trade Union Confederation
CeSPE	Centro Studi di Politica Economica
CFDT	Confédération Française Démocratique du Travail
CGIL	Confederazione Generale Italiana del Lavoro
CGT	Confédération Générale du Travail
CJEC	Court of Justice of the European Community
CNPF	Conseil National du Patronat Français
COMECON	Council for Mutual Economic Assistance
COPA	Comité des Organisations Professionnelles Agricoles
CSCE	Conference on Security and Cooperation in Europe
CSPEC	Confederation of Socialist Parties of the European Community
DGB	*Deutscher Gewerkschaftsbund* (German Trade Union Confederation)
EMS	European Monetary System
EMU	Economic and Monetary Union
EP	European Parliament
EPA	European Parliamentary Assembly

EPC	European Political Community
EPP	European People's Party
ERP	European Recovery Programme
ERT	European Round Table of Industrialists
ESC	Economic and Social Committee
ESF	European Social Fund
ETUC	European Trade Union Confederation
EURATOM	European Atomic Energy Community
FEDER	Fonds Européen de Développement Régional
FEOGA	Fonds européen d'orientation et de garantie agricole
FGDS	*Fédération de la gauche démocratique et socialiste*
GSPE/SGEP	Groupe Socialiste du Parlement Européen/Socialist Group of the European Parliament
ILO	International Labour Organisation
IMF	International Monetary Fund
MEP	Member of European Parliament
SAP	Social Action Programme
SCE	Standing Committee on Employment
SEA	Single European Act
SPEC	Socialist Parties of the European Community
UNICE	Union of Industrial and Employers' Confederations of Europe
WCL	World Confederation of Labour

Introduction

'Social Europe' is an elusive concept. One that most people, in Europe and beyond, have never heard or used in their lives. For those who have, it is often associated with a project that was first brandished around the mid-1980s, when the French socialist government and then president of the European Commission Jacques Delors promoted a revival of European integration and invoked the assertion of a 'European social model'. Today, it is a concept that can be either pleaded by supporters of 'Europe' – a widespread synecdoche for 'the European Union' – or mocked by its detractors. For some historians, 'Social Europe' is an idea that could be traced back at least to the projects formulated within European internationalist spheres at the beginning of the 20th century.[1] During the Second World War and in its immediate aftermath, some cultivated the hope of building a peaceful, democratic and social - or more precisely *socialist* - Europe, atop the ruins of Germany's nationalist Europe.[2] This hope even nourished some of the earliest projects of European unification among the Resistance.[3]

Although it is largely forgotten today, the golden years of 'social Europe' as an idea and a project were in fact the 1970s. What, exactly, was social Europe then? Promulgated mostly by European socialists, it was basically a European governance reform project. Its fundamental objective was to transform the nature of European cooperation and integration, by using the European Community as a vehicle to realise democratic socialism in Europe. It was, in short, a proposal for a radically different future than the one we actually inhabit today.

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[1] Lorenzo Mechi, "Du BIT à la politique sociale européenne : les origines d'un modèle," *Le Mouvement Social* 244, no. 3 (2013): 17–30.

[2] It was notably the case of the French intellectual Jean-Paul Sartre and his colleagues of the journal *Les Temps Modernes*. Stève Bessac-Vaure, "L'idée européenne dans Esprit et Les Temps modernes : penser ou construire l'Europe ? Idéalisme intellectuel et refus du réalisme (1945-1954)," *Siècles. Cahiers du Centre d'histoire « Espaces et Cultures »*, no. 41 (2015).

[3] See in particular the third chapter of the famous "Ventotene Manifesto" for a united Europe: "Compiti del dopoguerra. La riforma della società," in Ernesto Rossi and Altiero Spinelli, *Il Manifesto Di Ventotene*, 68 (Roma: Centro italiano di formazione europea, 1988). Social *and* economic problems were intensely debated within European movements since the mid-1940s. See A. Hick, "Il Tema Della Politica Economice E Sociale Nel Dibattito Dei Movimenti Europeisti," in *Il Comitato Economico E Sociale Nella Costruzione Europea.*, Marsilio (Venice, 2000), 24–33.

The ‘long 1970s’ that stretched between the end of the 1960s and the early 1980s marked an epochal shift in the history of Western Europe, as well as the broader world. In the ‘West’, the ‘economic boom’ that had followed the war was coming to a close, and the political ‘compromise’ underpinning the economic and political stability of the previous decades was crumbling away. It was a decade of great social contestation virtually everywhere in Europe, which started with the famous ‘events’ of 1968. They were also the golden years of social democracy in Western Europe, when prominent figures like Olof Palme, Willy Brandt, Bruno Kreisky, Harold Wilson and Joop Den Uyl suddenly found themselves able to sit at the table of world leaders. At the same time, new prospects were opening for communist forces, when the rising Italian Communist Party (PCI) made its way closer to government by sealing a ‘historic compromise’ with the *Democrazia Cristiana*, and when leading Western communist parties engaged on their own path to ‘Eurocommunism’. The deep political, economic, social and cultural changes that shook the world in those years constituted a fertile ground for ‘social Europe’, which progressively emerged at the turn of the 1970s, and grew stronger throughout the decade.

Successful European cooperation plans since the end of the war had been mainly economic, and dominated by a regulated liberalism approach.[4] Economic integration had formed one of the pillars of reconstruction and growth, of the reassertion of nation-states and – by extension – of the emergence of Western European welfare states.[5] By the end of the 1960s however, European political spheres suddenly became more concerned about the social dimension of their cooperation. In 1969 in the rainy coastal city of The Hague, Western European leaders of the European Community agreed to revive European integration and opened the way to the first enlargement to the United Kingdom, Ireland and Denmark a few years later. They also included a tiny commitment to enhance their common social policy. In the following years, this commitment grew bigger.

[4] Although different economic approaches had always coexisted in European integration plans since the late 19th century. See Eric Bussière, Michel Dumoulin, and Sylvain Schirmann, *Europe Organisée, Europe Du Libre-Échange? : Fin XIXe Siécle - Années 1960* (PIE-Peter Lang, 2006).

[5] Alan Milward’s pioneering work explained better than any other how European cooperation and integration processes, especially the EC, ‘rescued’ nation-states after the war. Alan S Milward, *The European Rescue of the Nation-State* (London: Routledge, 1992).

This changing agenda corresponded to an emerging consensus across the European political spectrum that greater social coordination was necessary and that the EC should be given a more 'human' face. They therefore engaged in efforts to build a 'European social policy', which resulted in the adoption of a number of reforms, programmes and directives, such as the first reform of the European Social Fund, the adoption of the first 'Social Action Programme', and the passing of directives on equal treatment between men and women or on health and security at work. In parallel, European socialists gradually envisioned their new project for Europe. The emerging 'Social Europe' project – as they named it in a bid for consensus – was radically different from the 'European social policy' proposal. Instead of being just a social remedy and complement to the common market, it started to be understood as a project to radically change the nature and the political economy of European integration – moving it away from its liberal capitalist roots.

The European Socialists' project for a 'Social Europe' took shape around the fundamental goals of wealth redistribution across classes, genders, regions, and countries, social and economic planning, economic democratisation, improved working and living conditions, regulation and control of economic forces, guarantee of the right to work, upward harmonisation of European social regimes, and access to social protection for all. It also included environmental concerns, democratisation of the EC's institutions, and claims to rebalance the international system to favour the development of the rising 'South'. It made ambitious proposals to empower the Community in the social field and to increase social and economic coordination between the countries of the EC.

Socialist and social-democratic parties of the European Community (and of its candidate countries) were not the only promoters of this kind of radical change. European trade unions and communist parties pushed in a similar direction in these years, and an alliance of the European Left in support of this project was conceivable.

The 1970s witnessed a moment of exceptional assertion for Western Europe and the EC; the shifting world balance opened new space for the promotion of a European 'identity'.[6] In a summit of EC leaders in Paris in 1972, the West German Chancellor Willy Brandt, who had earned widespread prestige with his foreign policy activism and was one of the most charismatic advocates of 'Social Europe', declared

[6] See for instance Antonio Varsori, ed., *Alle Origini Del Presente: l'Europa Occidentale Nella Crisi Degli Anni Settanta* (Milano: FrancoAngeli, 2007).

that the EC had to become the most advanced 'model' of social progress in the world. It was hard for his counterparts to openly disagree. They therefore declared their commitment to take vigorous actions in the social field – which they now deemed as important as future progress towards economic and monetary integration.

Between the 1973 'oil shock' and the end of the decade, the world witnessed profound dislocations of the economic and political 'order'. The fall of Bretton Woods, the momentary weakening of the United States' leadership, the emergence of a union of Third World countries for a redistribution of power and wealth, the oil crisis and the ensuing energy crisis, the economic recession and the emergence of 'stagflation' and employment, the *détente* of cold war tensions and the gradual opening of East-West dialogue, the fall of dictatorial regimes in Southern Europe and the rise of socialist and communist forces in Western Europe, all converged to disrupt the 'stability' that had characterised the post-war decades. In those years, the world – and Western Europe in particular – seemed to be at a crossroads. As capitalism itself appeared to be on the rocks, a new window of opportunity was opening for a socialist alternative. 'Social Europe' became only more assertive as a result.

Many roads were open at that point, and for a time it seemed like a shift to the left and a radical reshuffling of European cooperation and of world relations away from the post-war capitalist (and post-colonial) order was possible. In 1973, the enlargement to the three new countries played a key role in opening new prospects for the Community. Now the largest commercial area in the world, with its post-colonial ties extending throughout the globe and agreements with a wide array of countries in Northern Europe, in the Mediterranean rim, and throughout Africa, the Caribbean and the Pacific, it was becoming an economic giant and a more significant international actor with its own regional economic sphere of influence, that had the potential to weigh in an unprecedented way on world trade, monetary, economic and political relations. In the following years, it looked as if the European Community could become a 'most favoured' partner for the developing countries of the 'South', who were struggling for a new international economic order.[7]

The mid-1970s were marked by an acute sense of 'crisis' in the West, – not just an economic, but also a political and social crisis, and a crisis of Western

[7] Giuliano Garavini, *After Empires : European Integration, Decolonization, and the Challenge from the Global South, 1957-1985* (Oxford University Press, 2012).

hegemony.[8] The period that unfolded between 1973 and the mid 1980s was characterised by a frantic search for new solutions to cope with this crisis at national and international level. Radically divergent solutions were envisaged. In an ironic illustration of this confusion, in 1974, the Nobel Prize for Economic Sciences was jointly awarded to the 'father' of the Swedish welfare state Gunnar Myrdal and the neoliberal champion Friedrich August von Hayek. The socialist alternative formulated in 'Social Europe' was increasingly battled by the new *laissez-faire* alternative emerging under the banner of 'neoliberalism', the rationale behind which was a shift of responsibility away from the state. Between 1979 and 1982, conservatives came to power in the UK, the United States, and West Germany when Margaret Thatcher, Ronald Reagan and Helmut Kohl were elected. Their electoral victories are generally regarded as the key political events marking neoliberalism's ascendency. Western Europe – and the European Community itself – would turn out to be a crucial battleground in these years. By the mid-1980s, after a series of tussles over some of the socialists' key proposals in Brussels, it appeared more and more evident that 'Social Europe' had been defeated.

Retracing the story of this road not taken is the main aim of this research. Recent research has increasingly shown the influence of transnational and non-governmental networks and organisations over the European integration process and the emergence of a multi-governance European polity.[9] They have also highlighted that 'networks' sometimes appear more important for their roles as discussion and socialisation forums than as promoters of political action.[10] 'Social Europe', in fact, only partially emerged from national governments and took shape principally within formal and informal nexuses of cooperation between the forces of the left – mainly socialist

[8] Jan-Werner Müller, *Contesting Democracy: Political Ideas in Twentieth-Century Europe* (New Haven, CT: Yale University Press, 2011).
[9] This body of work was trying to get beyond a hitherto state-centric and realist strand of European integration history that often relied exclusively on governmental archives. Wolfram Kaiser and Peter Starie, eds., *Transnational European Union: Towards a Common Political Space*, Transnationalism (Abingdon: Routledge, 2005); Wolfram Kaiser, Brigitte Leucht, and Morten Rasmussen, eds., *The History of the European Union: Origins of a Trans- and Supranational Polity 1950-72* (New York ; London: Routledge, 2009); Wolfram Kaiser, Brigitte Leucht, and Michael Gehler, eds., *Transnational Networks in Regional Integration: Governing Europe, 1945-83* (Basingstoke: Palgrave Macmillan, 2010).
[10] Michel Dumoulin, *Réseaux Économiques et Construction Européenne* (Brussels: Peter Lang, 2004); Neil Rollings and Matthias Kipping, "Private Transnational Governance in the Heyday of the Nation-State: The Council of European Industrial Federations (CEIF)1," *The Economic History Review* 61, no. 2 (May 1, 2008): 409–31.

parties and trade unions – at European level. International structures such as the Socialist International; the Confederation of Socialist Parties of the European Community; the European Trade Union Confederation; parliamentary groups such as the Socialist Group of the European Parliament; and institutionalised summit meetings and congresses between the party leaders of European Socialist parties were important platforms for cooperation and coordination of socialist parties and trade unions and for the formulation of a common European policy. Their archives constitute a valuable source through which we can grasp the emergence and consolidation of 'Social Europe' – and the tensions it aroused.

Another strand of research has shifted attention towards the institutions of the European Community, highlighting their central role in the European policy- and decision-making process pushing and orienting European decision- and policy-making and in the development of shared views among European elites.[11] The European Parliament, because of its lack of power until the 1980s, remains a blind spot of European integration history.[12] However, the institution started to increase its budgetary powers precisely in the 1970s, and was directly elected by European citizens for the first time in 1979, thereby increasing its legitimacy, its weight in the institutional game of the EC, and starting its evolution from a "token talking-shop into a significant player in shaping legislation that applies across a continent".[13] In any case, the European Parliament's role in shaping Europe should not just be analysed in terms of official power, but also in terms of its capacity to draw the attention of other institutional and non-institutional actors to particular themes and problems that are sometimes under-developed in the Community debates.[14] Moreover, recent research

[11] Katja Seidel, *The Process of Politics in Europe : The Rise of European Elites and Supranational Institutions* (Tauris Academic Studies, 2010); Michel Dumoulin and Marie-Thérèse Bitsch, eds., *The European Commission, 1958-72: History and Memories* (Luxembourg: Office for Official Publications of the European Communities, 2007); Eric Bussière et al., eds., *The European Commission, 1973-86: History and Memories of an Institution* (Luxembourg: Publications Office of the European Union, 2014); Antonio Varsori, ed., *Il Comitato Economico E Sociale Nella Costruzione Europea*, 1. ed, Ricerche (Marsilio Editori) (Venezia: Marsilio, 2000).

[12] The existing historical reconstructions generally focus on the 'battles' fought to gradually increase the powers and representativeness of an institution whose role when it was first founded in 1952 was merely consultative. Julian Priestley, *Six Battles That Shaped Europe's Parliament* (London: John Harper, 2008); Berthold Rittberger, *Building Europe's Parliament: Democratic Representation Beyond the Nation State* (Oxford: Oxford University Press, 2005).

[13] Richard Corbett, Francis Jacobs, and Michael Shackleton, *The European Parliament*, 8th ed (London: John Harper, 2011), 354.

[14] Ariane Landuyt and Daniele Pasquinucci, eds., *Gli Allargamenti Della CEE/UE, 1961-2004* (Bologna: Il Mulino, 2005); Federica Di Sarcina, *L'Europa Delle Donne: La Politica Di Pari Opportunità Nella Storia Dell'integrazione Europea, 1957-2007* (Bologna: Il mulino, 2010); Christian

has highlighted how the European Parliament consolidated its symbolic power despite its lack of legislative and budgetary powers before the 1980s, and emerged as an actor in a transnational political culture and in the 'transnationalisation' and cooperation of European political parties.[15] During the 1970s, left-wing European parties, including communist parties, placed high stakes on the Community and the European Parliament implementing their new proposals – even more so as the socialist group became the dominant parliamentary group and with the prospect of the first direct elections. The plenary debates, working documents of parliamentary committees, resolutions and other sources are therefore a valuable lens through which to look at shifting ideas and projects on 'Social Europe'.

As much as possible in this broad portrait of 'Social Europe', the story told here tries to attribute the appropriate weight to the influence of individual personalities, the action of European institutions, the pressure of social movements and economic interest groups, and to the significance of changes in the global and Western European political, economic, cultural and intellectual landscape. It relies on archives of the European Commission, the personal papers of prominent European officials like Emile Noël, published documents of the socialist and communist parties, and is largely supplemented by secondary literature, which has been particularly useful in grasping the discussions in the European Council and the role of governments, trade unions, and communist parties in shaping the fate of 'Social Europe'.[16] Since the emergence of 'Social Europe' as a broad project was intertwined with Community works for a 'European social policy', the social and employment policy fields receive particular attention in this work.

Salm, "Die Sozialistische Fraktion, Das Europäische Parlament Und Die Entwicklungshilfepolitik Der Europäischen Gemeinschaft 1968-1975," *Journal of European Integration History* 17, no. 1 (2011): 87–102.

[15] Aurélie Élisa Gfeller, "Champion of Human Rights: The European Parliament and the Helsinki Process," *Journal of Contemporary History* 49, no. 2 (2014): 390–409; Aurélie Élisa Gfeller, "Réinventer l'institution parlementaire européenne," *Cultures & Conflits*, no. 85–86 (2012): 81–98; Aurélie Elisa Gfeller, Wilfried Loth, and Matthias Schulz, "Democratizing Europe, Reaching out to the Citizen?," *Journal of European Integration History* 17, no. 1 (2011): 5–12 see also Christian Salm and Jan-Henrik Meyer's contributions in this special issue.

[16] Particularly useful to get a more thorough understanding of these three aspects were respectively Laurent Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)" (Université de Rouen, 2015); Corinne Gobin, "Consultation et Concertation Sociales À L'échelle de La Communaute Economique Européenne: Etude Des Positions et Stratégies de La Confédération Européenne Des Syndicats (1958-1991)" (Universite Libre de Bruxelles, 1996); Mauro Maggiorani and Paolo Ferrari, eds., *L'Europa Da Togliatti a Berlinguer: Testimonianze E Documenti: 1945-1984* (Bologna: Il mulino, 2005).

The investigation into this road not taken is important for many reasons, some of which seem particularly salient. First, it helps to revisit the role of socialists and other forces of the Left in shaping the history of European integration and the present European Union. While the dominant role of Christian-democratic circles in shaping in the first decades of postwar integration is evident, it is noteworthy that the attitude of the main parties of the Left towards 'Europe' changed significantly during the late 1960s and 1970s.[17] Only recently, historians have moved from showing socialists, social democrats' and communists' initial rejection of, or scant interest in, European integration projects, to highlighting their 'European turn'. Breaking with previous work, they have shown how socialist parties significantly increased their formal and informal cooperation at European and EC level.[18] The same was true of trade unions and communist parties.[19] In the wake of the 1970s, with the prospect of enlargement and enhancement of the Community's weight, and with increasing concern on the Left about new forms of globalisation, cooperation at European level appeared as a necessity.[20] It became even more pressing with the prospect of direct elections to the European Parliament. Even communist parties, in their bid for 'Eurocommunism', intended to apply at Community level the Italian communists' new strategy of reform through alliances with other parliamentary forces, from socialists to Christian

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[17] Wolfram Kaiser, *Christian Democracy and the Origins of European Union* (Cambridge ; New York: Cambridge University Press, 2007).

[18] Kristian Steinnes, "The European Turn and 'Social Europe': Northern European Social Democracy 1950-85," *Archiv Für Sozialgeschichte*, no. 53 (2013): 363–84; Christian Salm, *Transnational Socialist Networks in the 1970s : European Community Development Aid and Southern Enlargement* (Palgrave Macmillan, 2016). Most of the previous literature concluded that European socialists and social democrats had been unable to organise at European level until at least the 1980s, and reached consensus on their incapacity to weigh on European policy-making. For instance Geoffrey Pridham, *Transnational Party Co-Operation and European Integration: The Process towards Direct Elections* (London ; Boston: Allen & Unwin, 1981).

[19] Barbara Barnouin, *The European Labour Movement and European Integration* (London ; Wolfeboro, N.H: F. Pinter, 1986); Corinne Gobin, "Construction Européenne et Syndicalisme Européen. Un Aperçu de Trente-Quatre Ans D'histoire (1958-1991)," *La Revue de l'IRES* printemps-été, no. 21 (1996): 119–51; Maggiorani and Ferrari, *L'Europa Da Togliatti a Berlinguer*; Maud Bracke, "From the Atlantic to the Urals? Italian and French Communism and the Question of Europe, 1956-1973," *Journal of European Integration History* 13, no. 2 (2007): 33–53. Regarding trade unions, some scholars argue that they only turned to the EC at the end of the 1980s. However, European trade unions underwent a significant unification and coordination process during at European level. Patrick Pasture, "Trade Unions as a Transnational Movement in the European Space 1955-65," *Transnational European Union: Towards a Common Political Space*, 2005, 109–130; Jon Erik Dølvik, *ETUC and Europeanisation of Trade Unionism in the 1990s* (Oslo: ARENA, 1997); Andreas Bieler, "European Integration and the Transnational Restructuring of Social Relations: The Emergence of Labour as a Regional Actor?," *JCMS: Journal of Common Market Studies* 43, no. 3 (2005): 461–84.

[20] Although the term 'globalisation' had not yet been erected as a catchword, European socialists and trade unions were increasingly concerned about the problem that increased 'internationalistion' of capital and emerging multinationals, in particular, were posing to the interests of workers, who were organised almost exclusively at national level.

democrats. There is however, a widespread assumption in the literature that the Left did not engage in serious or efficient efforts to weigh on European decisions.[21]

Very few works have so far addressed the question of how left-wing parties attempted to coordinate their views at European level, to formulate coherent common European policies, and to weigh on the European integration process.[22] This research proposes to fill this gap by highlighting the socialist's efforts to build a common project for a 'Social Europe', by exploring the concrete proposals contained in this project, by tracing its evolution and assessing its scope. This reconstruction will also enable a better understanding of the reasons (and internal contradictions) of the left's 'European turn', the strategies imagined with the aim of gearing European integration along socialist and democratic lines, and the connections and alliances between the different forces of the Left in this endeavour. It will, in sum, shed light on the reasons for the defeat of 'Social Europe' and for the relative failure of the European Left to influence European integration during those years.

The "defeat" of the European Left in realising its project for a 'Social Europe' was not the end point of the story. It had long-lasting, and arguably dramatic repercussions for the nature of European integration and European societies, on the relations of Western Europe with the rest of the world, on the history of capitalism and its shift to the 'neoliberal' paradigm, and on the European Left itself. Indeed, a core argument of this work is that the European left-wing parties' gamble on 'Social Europe' contributed to consolidating their turn to the EC, led them to enhance their transnational cooperation, to increase the coordination of their policies in all domains, and to almost unconditionally endorse 'Europe'. Yet, for many reasons that will be explored here, socialist and social-democratic parties never managed to build a solid alliance of the Left at European level and to push their project through European institutions. When the defeat became evident and increasingly appeared irreversible, European socialists found themselves trapped in their own game. The 'cunning of history', in this case, was that the most ambitious and radical plan ever developed by the European Left to reform the existing European institutions and use them to shift

[21] For instance Donald Sassoon, *One Hundred Years of Socialism: The West European Left in the Twentieth Century* (London: I.B. Tauris, 1996); Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)"; Pascal Delwit, ed., *Social Democracy in Europe* (Bruxelles: Éditions de l'Universite de Bruxelles, 2005). Warlouzet argues that trade unions and left-wing parties were not able to articulate an efficient European policy in the 1970s.

[22] Notable exceptions are Salm, *Transnational Socialist Networks in the 1970s*, 2016; Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne."

Western Europe politically to the Left turned out, in the long run, to be a powerful motor for the European Left's own political shift towards the Right. Their commitment to the European Community and their transnational coordination proved crucial in encouraging this shift.[23]

Moreover, understanding 'Social Europe' as a project that emerged and failed in the 1970s allows us to shed new light on the subsequent evolution of the European Community/European Union's social policy, and to assess 'Social Europe' today from a different perspective. Social, political and legal scholars differ greatly in their assessment of 'Social Europe', 'European social dialogue' and the so-called 'European social model'. The most optimistic tend to depict European integration as a formidable motor for upward harmonisation of social policy in Europe, and for the promotion of social justice and equality.[24] Many scholars however, point to the excessive market drift, the dismantlement of social protection and labour rights, and the increase of inequalities and of discriminations.[25] These studies generally lack historical grounding to support their arguments.[26] If anything, comparing current European social policies, redistributive resources, European labour law and social rights, to the proposals and ambitions that were formulated during the 1970s (not only on the Left), shows a sharp shift from a redistributive and regulatory approach to social policy at European and national level, to a much more targeted and arguably fragmented approach. 'Social Europe' today is much more similar to 'European social policy' yesterday: a social corrective to an increasingly neoliberalised market-friendly model. This work also helps to understand how the European Union emerged as one

[23] Mauro Maggiorani and Paolo Ferrari's works on the PCI's attitude towards the EC show how essential European policy was to the party's ideological, political and strategic repositioning during the second half of the 20th century, in particular between the late 1950s and the early 1980s and their eventual 'social-democratisation', or in other words, shift to the Right. More research is essential to understand how this process applied to other parties. Maggiorani and Ferrari, *L'Europa Da Togliatti a Berlinguer*; Mauro Maggiorani, *L'Europa Degli Altri: Comunisti Italiani E Integrazione Europea (1957-1969)* (Roma: Carocci, 1998).

[24] Wolfgang Kowalsky, *Focus on European Social Policy: Countering Europessimism* (Brussels: European Trade Union Institute, 2000); Gerda Falkner, *EU Social Policy in the 1990s : Towards a Corporatist Policy Community* (Routledge, 1998).

[25] Andreas Bieler, *The Struggle for a Social Europe : Trade Unions and EMU in Times of Global Restructuring* (Manchester Univ. Press, 2006); Daniel V Preece, *Dismantling Social Europe: The Political Economy of Social Policy in the European Union* (Boulder: First Forum Press, 2009); Robert Salais, *Le Viol d'Europe: Enquête Sur La Disparition D'une Idée* (Paris: Presses universitaires de France, 2013).

[26] Only very concise historical accounts of 'Europe's social policy' have been attempted so far. Antonio Varsori, "Development of European Social Policy," in *Experiencing Europe: 50 Years of European Construction 1957-2007*, ed. Wilfried Loth (Baden Baden: Nomos, 2009), 169–92; Josefina Cuesta Bustillo, "A Social Europe (1970-2006)?," in *Experiencing Europe: 50 Years of European Construction 1957-2007*, ed. Wilfried Loth (Nomos, 2009), 193–216.

of the international actors that shape ideas and policy-making in the social policy field.

Another major ambition of this work is to 'bring social conflict back' in European integration history. Arguably, the 1970s were to Western Europe what the 1960s were to the United States.[27] The famous 1968 events were only the beginning of a wave of contestation and radicalisation of European societies and politics. The 'long 1970s' were a decade of unparalleled social unrest, social struggle and increasingly explosive conflict in most Western European countries.[28] The intensity of social conflict and the strength of workers' movements – and of other kinds of contestation like feminist, student, environmental, and peace movements – directly impacted the emergence of 'Social Europe'. This cannot be ignored when writing the history of 'Social Europe'. Francesco Petrini recently pointed out that European integration history, including the wide historiography on the role of economic circles, has entirely eclipsed the centrality of social conflict in shaping economic actors' European strategies.[29] This story of 'Social Europe' in the long 1970s is not a social history of European integration, but it tries to break from this major flaw.

It therefore pays due attention to the connection between rising social conflict and the emergence of a new consensus about the need to enhance Europe's 'social dimension' on the one hand, and the Left's project for a 'Social(ist) Europe' on the other. The European 'rescue' of the nation-state that Milward so rightly pointed out did not only sustain the economic recovery and welfare that the state needed to regain 'allegiance' from European population; it also sustained the new political 'compromise' that was the keystone of the stabilisation of European societies and of the containment of social conflict that was vivid after the war.[30] European integration had been a pillar for the postwar 'compromise' and the stabilisation of capitalism in Europe. Already by the late 1960s, the 'postwar boom' was ending in rising social conflict; the compromise fell apart in the 1970s. 'Social Europe' was part of an attempt to find a new, more equitable compromise at European level. Whether it was

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[27] Garavini, *After Empires*, 100.

[28] See Beverly J. Silver, *Forces of Labor: Workers' Movements and Globalization since 1870*, Cambridge Studies in Comparative Politics (Cambridge ; New York: Cambridge University Press, 2003).

[29] Francesco Petrini, "Bringing Social Conflict Back in: The Historiography of Industrial Milieux and European Integration," *Contemporanea*, no. 3 (2014).

[30] Tony Judt, *Postwar: A History of Europe Since 1945* (London: William Heinemann, 2005), chap. 3 and 4.

an attempt to transfer the 'Keynesian compromise' to European level or something more will be a subject of this analysis.[31] The 'neoliberal compromise' that progressively replaced the 'Keynesian compromise' during the 1980s was the result of a decade-long social conflict that ended in a bitter defeat of social forces; the struggle for a 'Social Europe' was part of this power struggle.

Consequently, and perhaps even more importantly, understanding the aims of 'Social Europe' and the reasons for its defeat allows us to get a better understanding of that important epochal shift that took place between the late 1970s and the late 1980s.[32] It is widely accepted that those years marked a decisive turn in the history of capitalism itself, which saw a major transformation of the nature of capitalism, towards a more globalised, 'connectionist', 'neoliberal', crisis-driven form, underpinning rising inequalities.[33] The 'long 1970s are also regarded today as a crucial turn in the history of European integration; a moment of assertion for the Community's role in particular, just when Europe 'entered a different world'.[34]

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[31] Petrini makes a similar claim in his study of the 'Vredeling directive' for information and consultation of workers. However, the struggle on the Vredeling directive was only a part of a much broader struggle that took place during the 1970s over 'Social Europe'. Francesco Petrini, "Demanding Democracy in the Workplace: The European Trade Union Confederation and the Struggle to Regulate Multinationals," in *Societal Actors in European Integration*, ed. Wolfram Kaiser and Jan-Henrik Meyer (London: Palgrave Macmillan, 2013), 151–172.

[32] The historical accounts that underline this 'turn of an era' are plenty. Eric Hobsbawm described the shift from a 'golden age' of rapid economic growth to an age of economic stagnation. Niall Ferguson depicts the 1970s as a time of crisis in many spheres: the economic (with high inflation), political (with new movements and political conflicts), social (with increases in abortion, crime, class conflict, marital breakdown, and racial tensions), and popular culture. Konrad Jarausch marks this period as "the end of confidence", describing a shift from progress optimism to cultural pessimism. Jeremy Black emphasizes the rise of environmental transformations and environmental consciousness in the 1970s. Eric Hobsbawm, *Age of Extremes: The Short Twentieth Century 1914-1991* (London: Michael Joseph, 1994); Niall Ferguson, ed., *The Shock of the Global: The 1970s in Perspective* (Cambridge, Mass: Belknap Press of Harvard University Press, 2010); Konrad Jarausch, *Out of Ashes : A New History of Europe in the Twentieth Century* (Princeton University Press, 2015); Jeremy Black, *Insurgency and Counterinsurgency : A Global History* (Rowman & Littlefield, 2016). Particluarly useful to understand the shift from the 'postwar world' to the globalized era: Philippe Chassaigne, *Les Années 1970: Fin D'un Monde Et Origine De Notre Modernité* (Paris: Armand Colin, 2008).

[33] See for instance Luc Boltanski, *The New Spirit of Capitalism* (London ; New York: Verso, 2005); Barry J Eichengreen, *The European Economy Since 1945: Coordinated Capitalism and Beyond*, Princeton Economic History of the Western World (Princeton, N.J: Princeton University Press, 2006); Colin Crouch and Wolfgang Streeck, *Political Economy of Modern Capitalism: Mapping Convergence and Diversity* (London ; Thousand Oaks, Calif: SAGE, 1997); Thomas Piketty and Arthur Goldhammer, *Capital in the Twenty-First Century : The Dynamics of Inequality, Wealth, and Growth* (The Belknap Press of Harvard University Press, 2014); Giovanni Arrighi, *The Long Twentieth Century : Money, Power, and the Origins of Our Times* (Verso, 2010).

[34] The past decade has seen a burgeoning of scholarly works reappraising the 1970s and 1980s as a defining moment for the EC, with significant institutional change, important attempts to develop an international role and efforts to assert a European 'identity'. For instance Antonio Varsori and Guia Migani, eds., *Europe in the International Arena during the 1970s: Entering a Different World* (New York: P.I.E. Peter Lang, 2011); Emmanuel Mourlon-Druol, *A Europe Made of Money: The Emergence*

However, these two major shifts have been studied separately, and the interactions between them remain largely unexplored.[35] This study of 'Social Europe' therefore intends to shed new light on the epochal turn by reconnecting the history of capitalism and European integration history. In particular, it examines how the social, political and economic forces turned to the European level of governance to find a response to the multifaceted 'crisis' in a globalising world, and how Europe ended up 'rescuing', perhaps for the second time, European capitalism.[36]

Ultimately, this story hopes to contribute to the relocation of European integration history within a broader modern history, drawing from recent trends to zoom out from an overly close focus on European 'construction', to challenge the 'progressive narrative' of European integration, and to connect it with other fields of inquiry.[37] Highlighting the pertinence of European integration in the 'epochal shift' of the 1970s could help remedy the marginality of European integration in most accounts of contemporary Europe.[38] It also tries to historicise 'Europe', to highlight the very different phases and ruptures in the European integration process. 'Europe' as we know it today was shaped largely since the 1980s, and has little to do with the 'Europe' of the 1960s and 1970s. Between these two profoundly different moments of European integration history, 'Social Europe' rose and fell.[39] The outcome of this

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of the European Monetary System, Cornell Studies in Money (Ithaca, N.Y: Cornell University Press, 2012); Garavini, *After Empires*.

[35] Notable exceptions to that trend are Bastiaan van Apeldoorn, *Transnational Capitalism and the Struggle Over European Integration*, 6 (London ; New York: Routledge, 2002); Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)"; Varsori, *Alle Origini Del Presente*.

[36] Petrini argued that the 'stabilizing' function of European integration against social conflict appeared twice in European integration history: after 1945, when it contributed to rescue European capitalism from social revolution; and after the end of the 1970s with monetary integration and the creation of the single market that he describes as a neoliberal counter-revolution. Francesco Petrini, "Capitalismo E Integrazione Europea: Riflessioni Su Una Storiografia Possibile," in *Seminario Di Studi dell'Università Di Forlì* (L'Europa e il suo processo d'integrazione: il punto di vista della storiografia italiana, Forlì, 2016), 5.

[37] Kiran Klaus Patel, "Provincialising European Union: Co-Operation and Integration in Europe in a Historical Perspective," *Contemporary European History* 22, no. 4 (2013): 649–73, https://doi.org/10.1017/S0960777313000404; M. Gilbert, "Narrating the Process: Questioning the Progressive Story of European Integration," *JCMS: Journal of Common Market Studies* 46, no. 3 (2008): 641–662; Giuliano Garavini, "Foreign Policy beyond the Nation-State: Conceptualizing the External Dimension," in *European Union History. Themes and Debates*, ed. Wolfram Kaiser and Antonio Varsori (Basingstoke: Palgrave Macmillan, 2010), 190–208, https://doi.org/10.1057/9780230281509_11.

[38] Among the many examples Mark Mazower, *Dark Continent: Europe's Twentieth Century*, 1st Vintage books ed (New York: Vintage Books, 2000); Judt, *Postwar*.

[39] Other authors have underlined these different phases. Garavini, *After Empires*; Hagen Schulz-Forberg and Bo Stråth, *The Political History of European Integration: The Hypocrisy of Democracy-Through-Market* (London: Routledge, 2010).

story, that is the *decision* to gear European integration towards increasing austerity, competition and labour ‘flexibility’ through the creation of the Single Market and monetary integration, was far from a foregone conclusion. Until the early 1970s, many roads were still open. There were many alternatives. Social Europe was one of them.

Chapter One
The ‘social dimension’ of post-war European integration

1. Introduction

Although the hope of a social or socialist Europe had been nurtured in resistance movements and federalist circles during the Second World War, post-war forms of European cooperation and integration turned out to be characterised by their rather scarce attention to social issues. A case in point, the Rome treaty establishing the European Economic Community (EEC) in 1957 devoted just twelve out of 248 articles to social policy. Historians who have delved into the question generally agree that until the turn of the 1970s, despite substantial achievements in economic integration, there was very little effort to think about and implement, at European level, a sizeable social policy.[40] Towards the late sixties and early seventies however, Western European countries started to show more interest in the social aspects and consequences of their mainly economic cooperation.

Yet, the three post-1945 decades were marked by unprecedented consideration of social issues in Western Europe. Those years were in fact the age of the emergence of the most comprehensive form of *welfare state* in European history, with expanded social policies and social protection. They were also the years of the so-called ‘post-war compromise’, which relied on an enhanced role for the state in economic and social affairs to eliminate imbalances, inefficiencies, inequities and injustices of the market. There is an apparent paradox between the unprecedented commitment by post-war Western European states to social welfare and economic interventionism on the one hand, and the social deficit of the mostly liberal projects of European integration on the other hand. It is often argued that social policy was guarded as a

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[40] For instance Varsori, “Development of European Social Policy”; Maria Eleonora Guasconi, “The Origins of the European Social Policy: the Standing Committee on Employment and Trade Unions” Antonio Varsori, ed., *Inside the European Community: Actors and Policies in the European Integration 1957-1972* (Baden-Baden : Bruxelles: Nomos ; Bruylant, 2006), 301–11.

domain of competence by nation-states themselves, as it was one of the keystones of their post-war reassertion.

However, this contradiction calls for further investigation into the 'social dimension' of European cooperation and into the relation between increasing economic integration and the emerging welfare social states. This chapter proposes thinking about the social dimension of European integration beyond the strict 'European social policy' approach. It unfolds the close connection between the post-war 'compromise', the Golden Age of welfare capitalism, and European integration. It then considers the political economy of the European Community during those years, and how European social policy was embedded in this mostly liberal enterprise. Thus, it seeks to appraise the state of affairs, until the late 1960s, in the field of 'European social policy'.

This will be crucial to understanding why the question of the 'social dimension' of European integration suddenly surfaced so forcefully at the end of the 1960s and during the 1970s, precisely when the post-war 'compromise' was challenged by rising social conflict.

2. Post-war compromise and the 'golden age' of managed capitalism

After seeing the largest and most destructive conflict in modern history, from 1945 onwards Europe became a fertile ground for reconstruction, cooperation and *'integration'*. Post-war European integration coincided with a unique phase in the history of Western capitalism – a phase that historian Eric Hobsbawm famously termed the 'Golden Age'.[41]

During the first years following the war, most western European countries were characterised by marked poverty and scarcity of resources: basic essentials of life such as food, housing, transport infrastructure and healthcare, were lacking.[42]

[41] Hobsbawm used the terms 'Golden Age' or 'Golden Years' to characterise broadly the period that stretched from the end of the Second World War to the first oil crisis: 1945-1973. See Eric Hobsbawm, *Age of Extremes: The Short Twentieth Century 1914-1991* (London: Michael Joseph, 1994) chapter 9, "The Golden Years". Historians often use this expression to describe the period of exceptional growth and improving living conditions in Europe, but they diverge on the exact timeframe. Dan Stone places the 'golden years' between 1953-75, because it took until the mid-1950s until the new system was entrenched and bedded in. See Dan Stone, *Goodbye to All That?: The Story of Europe since 1945* (Oxford: Oxford University Press, 2014). It is important to note however that those years were perhaps not so golden for everyone, especially for the workers who stood on the production lines.

[42] See Judt, *Postwar*, 208–24.

Against this backdrop, the material transformation that took place between the late 1940s and the 1970s could only appear as an economic 'miracle'. Outstanding growth rates, virtually full employment, and remarkably low inflation are among the main characteristics used by economists and historians alike to describe the uniqueness of this period. More than anywhere else, in European countries it was an exceptional period of income growth. Between 1950 and 1973, Western Europe's average annual GDP per capita growth attained 4 per cent. It was 5 per cent in western Germany and Italy, 4 per cent in France, and 2,5 per cent in the UK.[43] During the 1960s, full employment became an almost general feature of Western European societies: the average unemployment rate stood at 1,5 per cent.[44] During these 'golden' years, in most countries except Italy unemployment rates stood between a quarter and a third of their 1930s levels. Economic stability prevailed in that period, and cyclical fluctuations were limited in their impact.[45]

Concretely, it was a period when European populations entered an age of overall affluence and welfare. In less than a generation, Western European societies moved from shortages to material surpluses. "Although absolute poverty still existed in even the richest countries", Milward noted, "the material standard of living for most people improved uninterruptedly and often very rapidly for twenty-three years. Above all else, that marks the uniqueness of the experience."[46] The leap in income accompanied a considerable rise in the consumption of goods and services that were once confined to minorities. As is well known, the post-war years in Europe saw the 'democratisation' of what were once luxury goods such as automobiles, telephones, or refrigerators, and the spread of new household commodities such as televisions and washing machines. A high increase in productivity, combined with the considerable technological progress of the time, led to an extensive diffusion of consumer goods that transformed everyday life. It was also the time when European tourism increased massively – especially towards Italy and Spain.[47] Beyond the increase in income and material affluence, the so-called 'quality of life' also improved considerably: hours

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[43] Alan S. Milward, *The European Rescue of the Nation-State*, Second edition (London ; New York: Routledge, 2000), 21; Eichengreen, *The European Economy Since 1945*, 17. Judt, *Postwar*, 324 and following.
[44] Hobsbawm, *Age of Extremes*, 1994, 259.
[45] Milward, *The European Rescue*, 22.
[46] Milward, 21.
[47] See Hobsbawm, *Age of Extremes*, 1994, 263–68.

worked declined, leisure time increased, and life expectancy increased.[48] Concomitantly, as I will develop later in this chapter, public expenditure on welfare, healthcare and education were at their historical high point.

The rapid economic expansion that enabled this 'golden age' in Western Europe rested on several conditions. It certainly owed much to the fact that those years were a period of uninterrupted peace, and to the effects of post-war reconstruction – as the labour force was once again geared towards creating output and productive capacity to cope with war destruction.[49] Peace, catch-up growth, the culmination of the industrialisation process, and rapid technical change were certainly important reasons for the extraordinary development of the post-war decades. Perhaps the most fundamental reason however, was the establishment of a new political, economic and social 'compromise' – or *post-war settlement* – in Western Europe. Post-war projects of European integration were embedded in this new compromise.

The post-war settlement, historians have shown, was based on a rejection of the previous political and economic order that had led, directly or indirectly, to the atrocities of the war.[50] In brief, in the years that followed the end of the war, a new political compromise was established in Western European countries, which rested on a transformation of the relationship between the state and society – in other words a reframing of what is often loosely called the 'social pact' or 'social contract'.[51] In Milward's terms, "one of the characteristics of the new power structure of the post-1945 state in western Europe was that (…) it was based on a much more solid and extensive political consensus than in the inter-war period".[52] This broader consensus permitted the reassertion of the delegitimised Western European states after 1945: it was based on their ability to re-ensure 'allegiance' amongst their populations. In order to do so, the states had to enable broad new categories of society, whose interests had been neglected by previous governments, to be brought into the consensus.

The post-war settlement relied mainly on an enhanced role for the state in

48 Eichengreen, *The European Economy Since 1945*, 1.
49 See for instance Eichengreen, 55 and following.
50 This argument is expounded for instance in Judt, *Postwar* chapter 3, "The Rehabilitation of Europe"; Stone, *Goodbye to All That?*; Hobsbawm, *Age of Extremes*, 1994; Milward, *The European Rescue*.
51 This is not to say, however, that there was a clear cut between pre- and post-war economic, political and institutional arrangements. On the contrary, the revolutionary wartime Resistance movements were tamed after 1945, and continuities prevailed in terms of inherited institutions and ruling elites in the transition to the post-war settlement. The novelty rather resided in the introduction of a new set of (social and economic) policies and the new role of the State in economic and social matters. See Judt, *Postwar*, 63–70.
52 Milward, *The European Rescue*, 25.

social and economic affairs. A new *policy consensus* appeared among thinkers, policy-makers and business elites, extending across the Right and Left of the Western European political spectrum.[53] Essentially, left and centre-left politicians, and the rising Christian Democratic parties shared the view that a well-planned economy would lead to a fairer and more prosperous society. In other words, capitalism was to be reformed thanks to increasing state intervention – giving way to the era of *managed capitalism*. As historian Tony Judt put it:

> The disasters of the inter-war decades—the missed opportunities after 1918, the great depression that followed the stock-market crash of 1929, the waste of unemployment, the inequalities, injustices and inefficiencies of laissez-faire capitalism that had led so many into authoritarian temptation, the brazen indifference of an arrogant ruling elite and the incompetence of an inadequate political class—all seemed to be connected by the utter failure to organize society better. If democracy was to work, if it was to recover its appeal, it would have to be *planned*.[54]

In order to achieve objectives such as increasing production, economic modernisation, full employment, or increased standards of living and purchasing levels, new sets of socio-economic policies were adopted across Western Europe, commonly referred to as 'Keynesian' policies and 'mixed economy' tools.[55] Definitions of these policy formulas are plentiful and usually vague. Hobsbawm described this policy consensus as "a sort of marriage between economic liberalism and social democracy (…), with substantial borrowings from the USSR, which had pioneered the idea of economic planning".[56] Somewhere between liberalism and

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[53] This policy consensus between Left and Right was eased once the extreme right had been virtually eliminated from the European political scene as the result of the war, and once the communist left was manoeuvred out of power, partly as a result of Cold War politics: the European Recovery Programme (ERP) proposed by Georges C. Marshall in 1947 greatly contributed to marginalizing communist parties in Western Europe. See Judt, *Postwar* Chapter 3. The 'de-radicalisation' of the non-communist Left, especially socialist and social-democratic parties, also contributed to enabling this broad policy consensus in Western Europe. See Gianni Silei, *Welfare State E Socialdemocrazia: Cultura, Programmi E Realizzazioni in Europa Occidentale Dal 1945 Ad Oggi* (Manduria: Lacaita, 2000) chapter 2 and 3.

[54] Judt, *Postwar*, 67 emphasis in original.

[55] The terms 'Keynesianism' and 'Keynesian economics' are overused in history and social science literature as a loose term to broadly characterise economic policies encouraging a large private sector but relying on strong public intervention (monetary, fiscal, etc.) during recessions. It is used regardless of whether the governments were actually applying – purposely or not – Keynesian theories at the time. As Milward notes, "the motive that inspired Keynes was widespread; to rescue the capitalist economy by eliminating a waste of human resources and an economic injustice which had weakened allegiance to the state". In Milward, *The European Rescue*, 29.

[56] Hobsbawm, 270.

socialism, between market and government, the new 'mixed economies' basically proposed to restructure capitalism by giving a prominent planning and managing role to the state.

Rather than being inspired by the Soviet Union, the vogue for planning – which Judt calls the "political religion of post-war Europe" – took its roots both from an older Socialist tradition and in pre-1914 liberal reformism, made its *débuts* in Western Europe with the state-led planning experiences of the fascist regimes, and was introduced by most countries during the war.[57] There was great variation across Western European countries in the actual application of planning. In Britain, 'planning' took the shape of state control of industries and social and economic services through nationalisations. In France, a *Commissariat général au Plan* was created in 1946 and undertook the modernisation of the country's industrial sectors through indicative planning.[58] Everywhere, some degree of state intervention thus accompanied the swift return to capitalist economies – giving rise to the era of *managed capitalism*. The policy consensus was strongly held together across the political spectrum, not least because it constituted a keystone for the tacit triangular political compromise that secured political and social stability in Western Europe in the post-war decades.

Crucial to the success of the new post-war compromise was the establishment, during this period, of a new form of class arrangement in which the state was to take a prominent role. As noted by John Goldthorpe, the 'Keynesian compromise' was not merely a shift in economic analysis and doctrine, it was above all a "historical compromise between contending ideologies and opposing class interests".[59] This new class compromise was based on an implicit or explicit trade-off that balanced interests between employers and labour organisations. In short, organised labour kept its demands within limits, regulated its behaviour, promoted labour market efficiency and accepted modernisation imperatives. In return, business would increase wages and benefits (within limits), and committed itself to reinvesting profits in order to

[57] Judt, *Postwar*, 67–68 here p.67.

[58] For the various forms of 'planning' that emerged in post-war Europe, see for instance Judt, 69–70. French planning was unique in Western Europe in its scope and levers, as it remained merely 'indicative'. Unlike Soviet planning which set out rigid production quotas, it only set targets.

[59] John. H. Goldthorpe, "Problems of Political Economy After the Postwar Period" Charles S. Maier and Joint Committee on Western Europe, eds., *Changing Boundaries of the Political: Essays on the Evolving Balance between the State and Society, Public Andprivate in Europe*, Cambridge Studies in Modern Political Economies (Cambridge [Cambridgeshire] ; New York: Cambridge University Press, 1987).

maximize national wealth. The compromise was made possible by a new, shared reliance on the state.[60]

The class compromise was effectively encouraged and *supervised* by the state. Charles Maier has shown how organised labour was included into the policy-formation machinery of the new European states after 1945, in a bid for political stability.[61] The post-war European compromise can be described as a triangular arrangement where governments presided over the increasingly institutionalised negotiations between capital and labour. The state got 'allegiance', political stability, social peace, and economic growth; employers reasserted control over the means and methods of production, predictable economic conditions, increased productivity, and a booming consumer market; and labour got stable employment and a share of the productivity gains, with regularly rising wages and increasing standards of living.

This compromise relied on a new institutional framework – often identified in recent literature as the post-war 'corporatist' state – that enabled the stabilisation of capitalism by organising a set of compromises between competing social groups.[62] Its institutionalisation varied greatly across countries. In West Germany, for instance, *Mitbestimmung* (co-decision making) was introduced in the 1951 Co-Determination Law that legally entitled labour representatives in the coal, steel and mining sectors to sit on the management boards of large industrial firms. Despite marked differences between the various systems of interest representation that took root in each Western European country, some version of what came to be called 'social dialogue' or 'collective bargaining' – between government executives, labour representatives and managers – was adopted everywhere for the negotiation of pay settlements, working conditions, and the like.[63]

Crucially, the social and political stability of the post-war European settlement depended on the state's ability to meet the needs and expectations of larger parts of

[60] Christopher J. Bickerton, *European Integration: From Nation-States to Member States*, First edition (Oxford: Oxford University Press, 2012), 79–81.
[61] Charles S. Maier, *In Search of Stability: Explorations in Historical Political Economy*, 1987; Charles S. Maier, *Recasting Bourgeois Europe: Stabilization in France, Germany, and Italy in the Decade after World War I* (Princeton, N.J: Princeton University Press, 1975).
[62] The notion of 'corporatism' generally describes a system of interest representation that organizes a search for compromise between competing social groups. For a definition see for instance Philippe C. Schmitter, "Still the Century of Corporatism?", in Fredrick B. Pike and Thomas Stritch, eds., *The New Corporatism: Social-Political Structures in the Iberian World* (Notre Dame: University of Notre Dame Press, 1974), 93–94. However, this notion conceals the marked differences that existed between the different systems of interest representation that took root in each Western European country.
[63] For a detailed overview of the implementation of collective bargaining in each west European country, see for instance Eichengreen, *The European Economy Since 1945*, 186–130 Chapter 4.

society and to ensure a broadly understood *'democratisation'* of society. The promise of democratisation led to the adoption of different measures to extend political, social and cultural rights to the whole population (such as universal suffrage, access to education, access to sport and art entertainment, and so on). A key component of this democratisation of European societies was also the access by lower classes to a broad range of consumer goods – a sort of 'democratisation' of the market, which was at the core of the spreading 'Fordist' model of production.[64] Beside democratisation, the settlement also rested on the introduction of unprecedented levels of *redistribution,* notably through the establishment of comprehensive welfare regimes. As will be developed in the next section, increasingly universal and generous 'welfare states' were protecting citizens of Western European countries against the risks one could incur all along the life cycle – such as illness, misfortune, and old-age.

It is important to note that this post-war settlement was the fertile ground for the rapid economic expansion that characterised the quarter century that followed World War II (WWII). Indeed, the state's commitment to full employment and redistribution contributed to providing a mass consumer market for a growing range of services and goods. There emerged a 'virtuous circle' in which state intervention and the socio-economic arrangements between labour and management were both leading to reinforced economic growth, while at the same time improving the economic, social and cultural welfare of societies. The success of this model contributed, meanwhile, to temporarily and relatively *eclipsing social conflict*, a social vision of cooperation and partnership partly substituted conflict and confrontation, the revolutionary thrust of the workers' movement was toned down, and a general de-politicisation of European societies took place as organised labour monopolised the negotiation.[65]

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[64] The notion of Fordism theorises an economic and social model based on the use in manufacturing industry of the methods pioneered in the American Ford Motor Company, which relied on large-scale mechanised mass production and mass consumption. The term gained prominence when it was used by Antonio Gramsci in hi essay 'Americanism and Fordism', in Antonio Gramsci, *Prison Notebooks*, European Perspectives (New York: Columbia University Press, 1992). It became particularly diffused in Western Europe after 1945, so much so that the 'post-war compromise' is often described as a 'Fordist compromise' insofar as it generalised and relied on the so-called Fordist model of production based on a virtuous circle of increased productivity; lower prices; booming consumption; economic growth. See for instance Robert Boyer Robert Boyer, ed., *La Flexibilité Du Travail En Europe: Une Étude Comparative Des Transformations Du Rapport Salarial Dans Sept Pays de 1973 À 1985*, Economie Critique (Paris: La Découverte, 1986), 15.

[65] On the contradictions of the post-war compromise and its de-politicising effects, see for instance Bickerton, *European Integration*, 81–90. "In this period", he notes, "we see the development of national governments that are on the one hand tightly bound by this corporatist social contract but also

At the same time, a *de-radicalisation* of the Western European political Left took place. As Stone puts it, "interwar socialist parties were increasingly turning, after the war, into social democratic ones, not just accepting the market economy but tempering it with welfare and interventionist measures aiming at wealth distribution".[66] This was a significant evolution. As the main economic problems caused by capitalism seemed to have been neutralised, so were the radical claims of the Left. To use Donald Sassoon's expression, the construction after WWII of "social capitalism" went hand and hand with the emergence of "Welfare Socialism".[67] This 'Welfare Socialism' concentrated increasingly on improving the conditions of its electorate within the framework of a strong wealth-creating capitalism. Claims about the ownership of the means of production and wages were progressively subordinated to objectives of productivity. During the 1950s and 1960s, the 'Golden Age' of capitalism thus encouraged the rise of a reformist socialism that distanced itself from communism, as well as a move by socialist and social-democratic parties beyond their working-class constituencies in an attempt to define themselves gradually as parties of 'the people'.[68] The culmination of this trend famously came in 1959 in Germany, when the *Sozialdemokratische Partei Deutschlands* (SPD) led by Kurt Schumacher rejected its Marxist heritage and its goal of replacing capitalism, and committed to reform capitalism in its Godesberg program.[69]

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a growing de-politicization of societies where direct mobilization is given up to a highly routinized and regulated form of corporatist representative politics. A more egalitarian and redistributive social contract thus coincided with a narrowing of the political spectrum" (pp.81-82).

[66]Stone, *Goodbye to All That?*, 63.

[67] Sassoon, *One Hundred Years of Socialism*, 1996, 115–66 Part Two "The Construction of Welfare Socialism, 1945-1950", and in particular chapter 6 "Building Social Capitalism."

[68] After 1945, gradually socialist and social-democratic parties shifted further towards the centre and rejected communism. On the 'social-democratisation' of the European Left in the second part of the 20th century, see for example Silei, *Welfare State E Socialdemocrazia*, 2000, 221–70. The 1960s saw increasing efforts by European social democratic parties – especially the German SPD, the French SFIO and the UK's Labour Party – to extend their constituencies to middle classes, which were growing as a result of the economic boom. On the institutionalization and strengthening of the universalistic Scandinavian welfare states and its effects of 'de-proletarisation' of left-wing parties, see Gøsta Esping-Anderson, "The Making of a Social Democratic Welfare State" in Klaus Misgeld, Karl Molin, and Klas Åmark, eds., *Creating Social Democracy: A Century of the Social Democratic Labor Party in Sweden* (University Park, Pa: Pennsylvania State University Press, 1992).

[69]On the German SPD's shift away from classist rhetoric and Marxist analysis and its turn towards the new middle classes, see Karim Fertikh, "Le Congrès de Bad Godesberg: Contribution À Une Socio-Histoire Des Programmes Politiques" (Centre Maurice Halbwachs, 2012); Karim Fertikh, "Trois petits tours et puis s'en va...," *Sociétés contemporaines*, no. 81 (March 15, 2011): 61–79. On the case of the British Labour Party, see for instance David Coates, *The Labour Party and the Struggle for Socialism* (London: Cambridge University Press, 1975).

3. The European rescue of the *welfare capitalist* state

Just as the post-war conventional wisdom advocated economic planning to avoid any return to economic crisis, depression, unemployment and protectionism, the same considerations lay behind the creation of the modern European welfare state. In the post-war political consensus, *social planning* was to prevent the political polarisations experienced during the inter-war period. Although various types of welfare provisions were already widespread before 1945, the implementation of comprehensive welfare systems was a specificity of the post-war era. To borrow Judt's words, "the Second World War transformed both the role of the modern state and the expectations placed upon it".[70] Post-1945 European states therefore took on new tasks to respond to the needs of a growing number of citizens. In each Western European country, there was a period of rapid increase in welfare provisions between the second half of the 1940s and the late 1950s.[71]

Of course, there were marked differences between the different emerging European welfare states, both in the resources they provided and the way they financed them. The new varieties of managed capitalism were also varieties of 'welfare capitalism'. Across Europe, varying categories of welfare regimes emerged, which have been classified by Gøsta Esping-Anderson into three 'worlds' of welfare capitalism: the 'Liberal' type personified increasingly by the UK; the 'Corporatist-Statist' type exemplified by Germany; and the 'Social Democratic' type embodied by the Scandinavian welfare states.[72] These differences reflected the particular institutional and political circumstances in which each welfare state emerged after the war.

Despite those differences, all post-war European welfare states shared similar features. They provided, and increasingly guaranteed, both social *security* and social

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[70] Judt, *Postwar*, 73.

[71] P. Flora and J. Alber, "Modernization, Democratization, and the Development of Welfare States in Western Europe" in Peter Flora and Arnold J. Heidenheimer, eds., *The Development of Welfare States in Europe and America* (New Brunswick, U.S.A: Transaction Books, 1981), 55 and following. For an overview of the rise of welfare states in post-war Europe, see also Judt, *Postwar*, 185–96.

[72] Gøsta Esping-Andersen, *The Three Worlds of Welfare Capitalism* (Cambridge, UK: Polity Press, 1990). Esping-Andersen's seminal work inspired a wide corpus of research into the different types of welfare regimes that have developed across Europe and the world since the 20th century. For a review of the state of the art and a synthetic description of the different types, see for instance Wil Arts and John Gelissen, "Three Worlds of Welfare Capitalism or More? A State-of-the-Art Report," *Journal of European Social Policy* 12, no. 137 (2002): 137–58. On the varieties of welfare capitalism, see among other references, Alexander Hicks and Lane Kenworthy, *Variety of Welfare Capitalism*, LIS Working Paper Series 316 (Walferdange: Luxembourg Income Study, 2002).

services. Social security consisted mostly in the provision of social insurance against life risks – such as unemployment, illness, accidents, and old-age difficulties. Social services comprised mostly medical care, education, housing, subsidised public transport and infrastructures, as well as leisure facilities and publicly-funded art and culture. Every modern European welfare state increasingly provided or financed, to different degrees, these resources. These sets of welfare provisions were supplemented by a number of new social rights to form a very large body of modern *social policies*.

Between the late 1940s and the 1970s, there was a steady increase of welfare expenses as a proportion of the national incomes of Western European countries. At around 1930, average expenditure on social insurance schemes throughout Europe amounted to less than 3 per cent of GDP. It had increased to 5 per cent by 1950, 7 per cent by 1960, and 13 per cent by 1974. Understood more broadly as including all income maintenance and public health programmes, social security expenditure grew even more markedly, from about 9.3 per cent of GNP in Western Europe in 1950 to 13.4 per cent by 1965, and to 19.2 per cent in 1974. Taking an all-embracing concept of social expenditure, to include spending on education and housing, the figures grew from between 10 and 20 per cent of GNP in the early 1950s to between 25 and 33 per cent by the mid 1970s. Overall, state-supported social provisions were steadily extended with respect to the coverage of risks, as well as the inclusion of population groups, especially between 1960 and the mid-1970s. This growth of social expenditure was the main reason for the increase of the 'state share' (the share of public expenditure measured as a percentage of the national product) in Western Europe, from 25 per cent in 1950 to more than 45 per cent by the mid 1970s.[73] The second half of the 1960s and the 1970s represented the apex of social policies in Europe in terms of proposals, concrete achievements, and resources invested. By the early 1970s, Hobsbawm noted, Western Europe saw "the appearance of welfare states in the literal meaning of the word, that is to say states in which welfare expenditures

[73] Peter Flora, ed., *Growth to Limits: The Western European Welfare States since World War II*, vol. 2 (New York: W. de Gruyter, 1986), xxii. According to Angus Maddison, government expenditure as a percentage of GDP in France amounted to 23.2 per cent in 1938, then rose to 27.6 per cent in 1950, and reached 38.8 per cent by 1973. For the same years, in the Netherlands, the figures indicate 21.7 per cent, 26.8 per cent, and 45.5 per cent respectively. For the UK, they were 28.8 per cent, 34.2 per cent, and 41.5 per cent. Angus Maddison, *Dynamic Forces in Capitalist Development: A Long-Run Comparative View* (Oxford: New York : Oxford University Press, 1991); A. Maddison, "Origins and Impact of the Welfare State, 1883-1983," *Moneta E Credito* 37, no. 146 (November 12, 2013), http://bib03.caspur.it/ojspadis/index.php/monetaecredito/article/view/11297.

(…) became the *greater part* of total public expenditure, and people engaged in welfare activities formed the largest body of all public employment”. [74]

Those comprehensive welfare systems were inherently redistributive. Their functioning required – to some extent – the transfer of resources from the more privileged to the less well-off. In that sense, post-war European welfare states were a “radical undertaking” compared to the previous arrangements of social insurances.[75] However socially *redistributive*, these welfare states were not *revolutionary,* as they did not challenge the underpinnings of the capitalist economy and did not – to put it bluntly – erase wealth inequalities. On the contrary, in the long run the middle classes and business elites were also beneficiaries of this arrangement, since European welfare states encouraged social cohesion and stability, which in turn favoured growth and prosperity. Social security, social services and state intervention carried out some degree of redistribution of the fruits of economic growth during the ‘golden age’ of post-war capitalism, but did not endanger its very foundations. This form of redistribution was the cement of the post-war compromise.

The party-political composition of each country’s government throughout the three post-war decades certainly influenced the kind of welfare regime implemented. Socialist and social-democratic parties played a significant role in putting forward social policies. [76] Scandinavian countries were a case in point, where the permanence of social-democratic parties in government gave rise to the most inclusive, universal, ‘de-commodifying’ and expensive welfare states.[77] These policy formulas led several scholars to suggest a dominance of social-democratic values in post-war Europe.[78] However, during that period social planning, like economic planning, was inherent to a policy consensus that was shared by Christian democratic, conservative and liberal

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[74] Hobsbawm, *Age of Extremes*, 1994, 84. It is worth noting that by the end of the 1970s all advanced capitalist states had become welfare states in that sense. Australia, Belgium, France, West Germany, Italy, Netherlands were spending more than 60 per cent of total public outlays on welfare. This was, Hobsbawm adds, to produce considerable problems after the end of the ‘Golden Age’.

[75] Judt, *Postwar*, 74.

[76] For a detailed analysis of how socialist and social-democratic parties shaped the development of social policies and social provisions throughout the period in Scandinavia, Germany, the UK, France and Italy, see Silei, *Welfare State E Socialdemocrazia*, 2000. The rise of social democracies in Europe in the post-war era occurred concomitantly to the rise of the European welfare state. Throughout the 1960s, social-democratic parties progressed continuously towards closer association to governments, except in France, where a centrist electorate was cemented around the figure of Charles de Gaulle.

[77] On the notion of ‘de-commodification’ in social policy, broadly understood as social policies that help freeing individuals from their objectification (‘commodification’) by the market, see Esping-Andersen, *The Three Worlds of Welfare Capitalism* chapter 2.

[78] For instance Stone, *Goodbye to All That?*, 8–11; Mario Telò, *De La Nation a l’Europe: Paradoxes Et Dilemmes De La Social-Democratie* (Bruxelles: Bruylant, 1993).

parties alike. Rather than on the suitability of welfare provisions themselves, the Left and the Right differed mainly in their approach to welfare policies – their degrees of inclusiveness, the types of social relations they should entrench, and so forth. Post-war European welfare states, it is worth noting, were in large part implemented by Christian democratic parties, which dominated Italy, West Germany, and the Benelux countries through most of the post-war generation.[79]

In order to finance increasing welfare provisions and public spending, European governments relied on increased national incomes. Economic growth during the post-war decades rested on two pillars. One pillar was state intervention. By intervening directly in the economy, European governments promoted domestic demand and ensured higher rates of growth, while containing inflation at relatively low level. They invested massively in different economic sectors, such as defence – which remained an important motor sustaining demand throughout the period – as well as all industrial sectors, housing, and (increasingly from the 1960s) education and research and development.[80] Welfare provisions, state intervention and economic growth formed a virtuous circle and reinforced each other.[81]

The second pillar of economic growth was trade liberalisation. In the early post-war years, there was an incompatibility between governments' investment plans and their balance-of-payment constraints. In 1947, European current account deficits were up to 5 per cent of GDP. The first post-war achievements of European integration were designed to provide an answer to this problem. Between 1947 and 1953, with the implementation of American Secretary of State George C. Marshall's plan for a European Recovery Programme (ERP) enormous amounts of US money were injected into European economies.[82] The famous 'Marshall Plan' and its

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[79] See Judt, *Postwar*, 241-277-389.

[80] See Milward, *The European Rescue*, 36–45; Eichengreen, *The European Economy Since 1945*, 86–130. Milward argued that this state function of ensuring growth - which was initially devised to support the post-war political compromise - led during the 1950s to an *ideology of growth.* The post-war consensus was increasingly associated with growth, which explains, as I will show in the next chapters, why the 1970s economic slowdown contributed to undermine the post-war 'social pact' and pushed west European states to seek a new form of compromise at European-EC level.

[81] As Milward noted, "support for agricultural incomes was an essential support to the welfare state; poor farmers would otherwise have made bigger demands on social insurance systems. High levels of state expenditure (…) sustained employment levels by sustaining demand. Full employment gave social insurance a much sounder actuarial basis. Social insurance systems, in their turn, provided governments with a larger financial reserve with which to pursue counter-cyclical economic policies aimed at maintaining high employment". Milward, *The European Rescue*, 33.

[82] Between 1948 and 1952, the life of the ERP, 13 billion dollars of US government grants was made available to Western Europe. For a detailed account of how the Marshall Plan and trade liberalisation

attendant institution, the Organisation for European Economic Co-operation (OEEC) allowed economic recovery and ensured Western Europe's commitment to the private-ownership, market-oriented camp – against the communist camp. It also encouraged European economic cooperation, since American aid was conditioned on collective use of the funding.[83] Crucially, the Marshall Plan contributed to providing the impetus to rebuild intra-European trade.

To a large extent, economic growth in the post-war decades depended on increased exports and international trade, which was facilitated by the implementation of a liberal international economic and monetary system. This system was entrenched from the late 1940s by the OEEC (later renamed the Organisation for Economic Co-Operation and Development, OECD), the Bretton Woods Agreement of 1944, and the ensuing creation of the World Bank, the International Monetary Fund (IMF), and the General Agreement on Tariffs and Trade (GATT) in 1948. Plans for European integration and cooperation in those years were embedded in this liberal international system. Free trade, (controlled) capital movements, and stable currencies were as much characteristics of this period as state intervention and welfare provisions. This combination famously led political scientist John Ruggie to describe this period as an age of 'embedded liberalism'. Others have described it as a political economy applying 'Keynes inside and Smith outside'.[84]

International and intra-European trade therefore became one of the main drivers of the unique growth of the three post-war decades. The creation of the European Coal and Steel Community (ECSC) in 1951 allowed the reinsertion of West Germany into intra-European trade. This was vital, as West Germany's economy was

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plans allowed for economic growth in the immediate post-war years. See Eichengreen, *The European Economy Since 1945*, 54–73.

[83]On the political economy of the Marshall Plan more specifically and how it divided socialists and communists, marginalised communist parties and tipped the balance of political power towards centrist parties in Western Europe, see Eichengreen, 64–70. US officials made their reluctance to grant Socialist governments financial aid very clear. In Belgium, Luxembourg, and Italy, for instance, the announcement of Marshall aid was quickly followed by the dismissal of Communist ministers from the government.

[84] John Gerard Ruggie, ""nternational Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order" 36, no. 2 (1982). The term was later used by many International Political Economy scholars and economic historians and re-actualised in the latest period of European 'neoliberalism', for instance Bastiaan van Apeldoorn, "The Contradictions of 'Embedded Neoliberalism' and Europe's Multi-Level Legitimacy Crisis: The European Project and Its Limits," in *Contradictions and Limits of Neoliberal European Governance* (Palgrave Macmillan, London, 2009), 21–43, https://doi.org/10.1057/9780230228757_2. As Sheri Berman notes, Ruggie's famous term fails to highlight that trade liberalism in that period contributed to sustain a set of what he sees as social democratic premises. Berman, *The Primacy of Politics: Social Democracy and the Making of Europe's Twentieth Century* (Cambridge: Cambridge University Press, 2006), 188.

“the pivot on which the increases in foreign trade, investment and prosperity turned”.[85] Later, the foundation of the European Economic Community (EEC) in 1957, and the European Free Trade Association in 1959 sought to enable European countries to move further down the road of trade liberalisation, thus enabling export-led growth.

Trade liberalisation – with the elimination of import quotas and the reduction of customs duties – had immediate effects on Western European economies. Trying to assess the impact of the ‘Common Market’ – as contemporaries used to call the EEC – on economic growth, Eichengreen notes that, “the gradual reduction of tariff barriers allowed the member states to specialize more in the production of goods in which they had a comparative advantage and to better exploit economies of scale and scope. It weakened the market power of monopolies and cartels, forcing previously cosseted producers to shape up or lose market share”.[86] As a result, between 1959 and 1969, the share of German trade conducted with other EC countries rose from 37 to 52 per cent. In Italy, it rose from 30 to 50 per cent. In France, the share nearly doubled, from 30 to 57 per cent. The overall share of Western European trade that stayed within the region rose from 56 to 66 per cent in the same years. The outcomes of the different economic integration plans are difficult to assess. Yet, according to Eichengreen, evidence suggests that intra-EC trade grew 3.2 per cent per year faster over the two decades from 1953 to 1973 than would have been the case in the absence of the Common Market. This increased trade probably led the six countries of the Common Market – France, West Germany, Italy, Belgium, the Netherlands and Luxembourg – to increase their income by 4 to 8 per cent between 1959 and 1969.[87]

This is not to say that the reasons that drove both successful and unsuccessful projects of European integration were exclusively economic. For instance, the ECSC, the EEC, the aborted plans for a European Defence Community (EDC) and a European Political Community (EPC) around 1953-54, and the foundation of the European Atomic Energy Community (EURATOM) in 1957, all responded to vital political motives. Fostering reconciliation and preventing another war was an undeniable purpose that stimulated political elites such as West German Chancellor Konrad Adenauer, British prime minister Winston Churchill, the former French

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[85] Milward, *The European Rescue*, 223.
[86] Eichengreen, *The European Economy Since 1945*, 178.
[87] Eichengreen, 178–82.

premier Léon Blum, the Italian premier Alcide De Gasperi, and the future Belgian prime minister Paul-Henri Spaak, to engage in favour of European integration at the 1948 Congress of Europe in The Hague. Likewise, dreams of a united federal Europe fostered by former members of the Resistance movements like Altiero Spinelli, also nurtured these projects. Ensuring military and energy security, achieving Franco-German reconciliation, containing West Germany by embedding it in international structures, settling and reinforcing the western camp under American auspices in an emerging context of Cold War tensions, were also important goals of post-war European integration projects.[88]

The intertwining of political goals and economic integration plans should be underlined, however, precisely in order to understand the *social dimension* of European integration. The economic gains of integration helped to sustain the political compromise. As Milward pointed out, although the reassertion of the nation-state and European integration in the post-war years can appear to be contradictory tendencies, they were in fact fundamentally complementary. "The development of the European Community, the process of European integration", he argues, "was (…) a part of that post-war rescue of the European nation-state, because the new political consensus on which this rescue was built required the process of integration, the surrender of limited areas of national sovereignty to the supranation".[89] Welfare provisions and public spending were keystones in preserving the post-war compromise and the reassertion of the state. Therefore, unfolding Milward's well-known argument, it appears that post-war European welfare states rested in part on European economic integration. In fact, one could argue that after 1945 as well as rescuing the nation-state, European integration supported the rescue of European (welfare) capitalism.[90]

It logically follows, moreover, that European governments initially had no interest in transferring their competence over social policies and welfare measures to a supranational institution. As has been pointed out by several authors, incipient European cooperation, integration and trade liberalisation projects gave very little attention to 'social' issues because their architects considered that the very prosperity brought about by economic integration would be the main foundation for social

[88] See an enlightening summary of these converging factors in Perry Anderson, *The New Old World* (Verso Books, 2009), 7–25.
[89] Milward, *The European Rescue*, 4.
[90] Petrini, "Capitalismo E Integrazione Europea," 5.

progress.[91] This idea of European economic integration as a mean to increase wealth, and hence the prosperity and living conditions of workers, was already present within pre-war projects of economic and social integration – in particular the International Labour Organisation (ILO).[92] This does not mean, however, that social considerations were absent during the negotiations that led to the signing of the different treaties of European cooperation during the post-war decades.

4. European integration, European Community, and social policy

Since the declaration of the French minister for foreign affairs, Robert Schuman, on 9 May 1950 that launched the ECSC – usually identified in the historiography of European integration as the starting point of the European integration *process* – the economic dimension played a prominent part.

Among the various plans envisioned between the late 1940s and the 1960s, projects of economic integration proved to be the most successful. Efforts to establish cooperation in the political and defence fields, on the contrary, met with substantial resistance. The 1954 failure of the project of European Defence Community (EDC) and its political counterpart, the European Political Community (EPC), illustrate this resistance. In short, the six members of the coal and steel community, encouraged by supporters of the supranational method within national governments and the European Movement, had envisaged the creation of a common European army bolstered by a common political authority. The project aimed to establish a European constitution and a European government. It was prepared under the auspices of prominent European federalists such as Jean Monnet, Paul-Henri Spaak and Altiero Spinelli. The whole enterprise broke down when the French National Assembly rejected the EDC in August 1954.[93] After this failure, economic integration seemed a safer way to proceed to gradually integrate European countries. The ECSC, the EEC and the EFTA would indeed turn out to be the most viable cooperation plans in the long run.

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[91] For instance in Jean Degimbe, *La Politique Sociale Européenne: Du Traité de Rome Au Traité d'Amsterdam* (Bruxelles: ISE, 1999), 60–62; Andrea Ciampani, "La Politica Sociale Nel Processo D'integrazione Europea," *Europa Europe* X, no. 1 (2001): 120–34.

[92] Mechi, "Du BIT à la politique sociale européenne," 21–22, 27.

[93] See for instance Mark Gilbert, *European Integration: A Concise History* (Lanham, Md: Rowman & Littlefield Publishers, 2012), 39–44.

On 25 March 1957, the signature of the Rome treaty between the six member countries that already formed the ECSC marked the triumph of economic integration, which would *de facto* dominate the European 'project' for the decades to come. The creation of the EEC enshrined a general liberalisation of trade among its member states, against the project of sectorial integration that had been advocated previously by Monnet. The EEC is often described as being broadly dominated by the liberal economic doctrine. The prevalence of the ideas of the German 'ordoliberals' of the *Christlich Demokratische Union (CDU)* in the creation of the EEC, for instance, is often underlined.[94] Moreover, the predominance of Christian Democrats in early projects of European integration contributed to inspiring the emergence of a conservative 'Europe'.[95] The 1950s and 1960s were Christian Democratic decades for continental Western Europe; this 'party-political centre of gravity' had an influence on the political economy of the EEC and worked to the detriment of European social policy.[96]

The centre of gravity of the political parties of the six founding members of the European Communities (EC, formed by the ECSC, the EEC and the EURATOM, sharing a common set of institutions) therefore hindered any significant influence of the Left on their conception. Centre-left parties were also tardier supporters of 'European integration'. Both the *Sozialdemokratische Partei Deutschlands* (SPD) and

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[94] Among many examples: François Denord and Antoine Schwartz, "L'économie (très) politique du traité de Rome," *Politix*, no. 89 (April 12, 2010): 35–56; David J. Gerber, "Constitutionalizing the Economy: German Neo-Liberalism, Competition Law and the 'New' Europe," *The American Journal of Comparative Law* 42, no. 1 (1994): 71–72.

[95] As documented by Wolfram Kaiser, transnational networks of Christian Democratic elites played a crucial role in the creation of the ECSC in 1951, and of the EEC and Euratom in 1957. The conception of the ECSC, for instance, "resulted from a transnational political struggle in which the continental European Christian Democrats succeeded in imposing their core ideas sufficiently adjusted to garner enough domestic and transnational support for it". Wolfram Kaiser, *Christian Democracy and the Origins of European Union*, New Studies in European History (Cambridge ; New York: Cambridge University Press, 2007), 252.

[96] Philip Manow, Armin Schäfer, and Hendrik Zorn, *European Social Policy and Europe's Party-Political Centerof Gravity, 1957-2003*, MPIfG Discussion Papers, 2004/06 (Köln: Max Planck Institut für Gesellschaftsforschung, 2004), 18–23, http://www.mpi-fg-koeln.mpg.de/pu/mpifg dp/dp04-6.pdf. In 1950-51, when the ECSC was founded, the Christian democratic majority in the six member states was striking: in Belgium, Germany, Italy, and Luxembourg, the prime ministers were Christian democrats. In the Netherlands, although a social democrat (Willem Drees) headed a grand coalition, the *Katholieke Volkspartij* was the strongest party. The picture was more varied in France, where the Christian democrats (*Mouvement Républicain Populaire,* MRP) never achieved a dominant position; although Robert Schuman, the 'father' of the ECSC, was member of the MRP. When the Treaty of Rome was prepared in 1956-7, the situation had not changed in Germany, Italy, Luxembourg, and the Netherlands. In Belgium, however, social democrat Achille van Acker came to office in 1954, heading a coalition with the liberals. France had two centre-left prime ministers in 1956-7 (Edgar Faure and Guy Mollet).

the *Section Française de l'Internationale Ouvrière* (SFIO) remained hesitant for most of the 1950s. The far-left, for its part, fundamentally opposed these projects of integration. The two main communist parties of the 'Six', the *Partito Comunista Italiano* (PCI) and the *Parti Communiste Français* (PCF) in large part followed Moscow in condemning US-led western European integration after 1947. In fact, even though they attempted to be associated to Community institutions, communist parties and trade unions were formally excluded from European institutions and movements – such as Monnet's *Comité d'Action pour les Etats-Unis d'Europe* or the EEC's consultative Economic and Social Council – until the late 1960s.[97] Therefore, the strong predominance of the liberal and conservative centre-right was to be felt in the conception and early functioning of the EC.

However, a closer look at the EEC treaty and at the progress of the Community in the first fifteen years of its existence is necessary in order to understand the economic doctrine underlying the common market, and its social implications. Just like the post-war settlement had been the result of a compromise, so too was the political economy of the Community. At the heart of the EEC treaty were some fundamental principles of post-war European trade liberalism: the consecration of market freedom, undistorted competition, non-interference and non-discrimination. Both the 'neoliberal' doctrine developed in France in the 1940s and 1950s, and the German 'ordoliberal' doctrine advocated by the economist Walter Eucken and Minister for Economics Ludwig Erhard, were centred on these principles. However, some elements of a more interventionist doctrine were also to be found in the Treaty, in particular the inclusion of common policies in fields like agriculture, trade and transport.[98] The newly formed European institutions – the Commission, the Council,

[97] In 1958, there were four large communist trade unions among the six member states: the French CGT, the Italian CGIL, the Dutch EVC ad the Luxembourgish FLA. From the 1960s, only the CGIL and CGT remained by were dominant in their countries. See Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 332–34; Jean Meynaud and Dusan Sidjanski, *Les Groupes de Pression Dans La Communauté Européenne, 1958-1968: Structure et Action Des Organisations Professionnelles* (Editions de l'Institut de sociologie (de l'Université libre de Bruxelles), 1971), 279–84; Barnouin, *The European Labour Movement and European Integration*, 1986.

[98] For a useful overview of the influence of different economic doctrines on the negotiations of the EEC treaty, see Anne-Lise Barrière, *Concilier Identité de Gauche et Intégration Économique Européenne : Étude Comparée Du PS et Du SPD Face Au Défi Du Marché Commun Entre La Conférence de La Haye (1969) et l'Acte Unique (1986)* (Lille 3, 2014), 75–87, http://www.theses.fr/2014LIL30031. It is worth noting that Jean Monnet, one of the so-called 'founding fathers of Europe', was a champion of economic liberalism and admirer of the US economy. He was also, however, a fervent backer of French economic planning. See Anderson, *The New Old World*, 12–17.

the European Parliamentary Assembly (later called the European Parliament (EP)), and the Court of Justice of the EC (CJEC), were granted powers to defend these principles.

Scholars generally identify two contrasting sets of ideas that presided over the conception of the EC: the 'ordoliberal', 'neoliberal', 'neoclassic' or 'classic liberal' ideas found mostly in the German and Dutch governments' positions on the one hand; and the more 'interventionist' or 'Keynesian' ideas, defended mostly by the French and Italians.[99] Some however, like Warlouzet, identify three 'models of Europe' that coexisted from the early years of European integration - "market Europe", "social Europe", and "neo-mercantilist Europe".[100] In any case, the EEC was much less 'liberal' than the free-trade agreement established by the 'Seven' of the EFTA, which entailed no common external tariff and no common policies. For this very reason, the proponents of German ordoliberalism were initially critical towards the project of a common market. Erhard and Alfred Müller-Armack, the famous German ordoliberal advocate, would have preferred a free-trade area to a customs union.[101]

The predominantly liberal orientation of economic integration did not preclude discussions about social measures and about harmonisation of member states' social policies. It was clear to the negotiators of the ECSC and the EEC treaties that economic coordination and trade liberalisation would have social implications.[102] In fact, from its creation in 1951, the ECSC disclosed both a commitment to social initiatives and a will to include workers' representatives in its policy- and decision-making. The first college of the High Authority (the supranational executive body of

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99 For instance François Denord and Antoine Schwartz, "L'économie (très) politique du traité de Rome," *Politix*, no. 89 (April 12, 2010): 40.

100 The "neo-mercantilist Europe" model combines liberalism with some punctual or indirect measures of protectionism aimed at strengthening European industrial productivity. For an overview of these three ideal types, see Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 20–22; see also the works of the French school, which highlight the coexistence of the two ideas of free-market and "organised" market Europe in economic spheres since the late 19th century Bussière, Dumoulin, and Schirmann, *Europe Organisée, Europe Du Libre-Échange?*

101 Milward, *The European Rescue*, 213–14.

102 It is worth noting that social policy issues were much more present in the negotiations of the Paris and Rome treaties than in the negotiations for the failed project of a European Political Community – even though Altiero Spinelli, the famous author of the 'Ventotene Manifesto' which advocated for the creation of a federal and socialist Europe, was in charge of the preparatory works. See European Movement, ed., *Projet de Statut de La Communaute Politique Europeenne: Travaux Preparatoires* (Bruxelles: Comite d'etudes pour la Constitution europeenne, 1952). Ad Hoc Assembly Instructed to Work Out a Draft Treaty Setting up a European Political Community, ed., *Draft Treaty Embodying the Statute of the European Community: Information and Official Documents of the Constitutional Committee, October 1952-April 1953* (Paris: Secretariat of the Constitutional Committee, 1953).

the ECSC), presided over by Monnet, included two trade union representatives. The treaty also provided for the creation of a Consultative Committee that included representatives of trade unions, employers, and a third interest group of 'users and stockholders'. During the 1950s and 1960s, the High Authority promoted various social initiatives, such as financing the construction of housing for workers and their families, carrying out studies on the improvement of working conditions, and providing funding to support vocational training courses for workers affected by the restructuring of the mining and steel industries.[103] In Antonio Varsori's view, this attention to social issues was mainly motivated by the context of rising Cold War tensions (and therefore the desire to tone down the appeal of communism to workers), and by the fact that the workers of the coal and steel sectors were highly organised. Non-communist trade unions were therefore associated with the preparatory works.[104]

During the negotiations of the Rome treaty, things turned out differently, perhaps in part because the economic and political context in which they took place had changed significantly. The effects of the economic boom had begun to be felt, and the now established political compromise lowered fears of social unrest among the political elites. Therefore, the negotiators of the treaties focused their attention mainly on the economic objectives of the project; it was implied that increased prosperity would lead to increased margins for social progress. However, during the negotiations of the Rome treaty, a dispute arose over social policy, which set Germany and France in opposition to each other. The French delegation insisted in particular on the importance of social harmonisation, especially regarding equal pay between men and women (on which France had recently passed a law), a 40-hour week with harmonised extra-hour pay, paid holidays, and wage harmonisation.[105]

[103] Regarding the action taken by the ECSC in the social field, see in particular Lorenzo Mechi, *La Politica Sociale Delle CECA, 1950-1957* (Firenze: Universita degli studi di Firenze, 1995); Lorenzo Mechi, "Una Vocazione Sociale? Le Azioni dell'Alta Autorità Della CECA a Favore Dei Lavoratori Sotto Le Presidenze Di Jean Monnet E Di René Mayer," *Storia Delle Relazioni Internazionali* X–XI, no. 2 (1995 1994): 147–83; Lorenzo Mechi, "L'action de La Haute Autorité de La CECA Dans La Construction de Maisons Ouvrières," *Journal of European Integration History* 6, no. 1 (2000): 63–68; see also Nicolas Verschueren, *Fermer Les Mines En Construisant l'Europe: Une Histoire Sociale de L'intégration Européenne*, Euroclio. Études et Documents, no. 74 (Bruxelles: P. Lang, 2013). For a general overview of the ECSC, D. P. Spierenburg and Raymond Poidevin, *The History of the High Authority of the European Coal andSteel Community: Supranationality in Operation* (London: Weidenfeld and Nicolson, 1994).

[104] Antonio Varsori, "The emergence of a social Europe", in Dumoulin and Bitsch, *The European Commission, 1958-72*, 427–41. See also Ciampani Andrea Ciampani, ed., *L'altra via per l'Europa: forze sociali e organizzazionedegli interessi nell'integrazione europea (1947-1957)* (Milano: FrancoAngeli, 1995).

[105] See Milward, *The European Rescue*, 208–16. The legal working week in France was forty hours at

Those were concerns shared by the Italian government, although Italy was mainly preoccupied by its large unemployed workforce (especially in the *Mezzoggiorno*) and insisted on the need to guarantee social rights and social provisions for migrant workers.[106]

The French attitude was partly a result of the demands of the French industrial lobby, which feared in particular competition from German industries. Indeed, wage burdens, social contributions, and social protection were higher in France and would constitute a competitive disadvantage for French employers. As has been highlighted by Laurent Warlouzet, the French government was sensitive to the position of the *Conseil National du Patronat Français* (CNPF). Its president, Georges Villiers, was favourable to the common market but voiced the concerns of French industries regarding unfair competition and social dumping.[107] The Italian emphasis on social measures for migrant workers, on the other hand, primarily reflected a will to ensure effective freedom of movement for the excess workforce. On the contrary, the German delegation – especially Erhard – opposed the inclusion of any principle of social intervention or harmonisation into the treaty. German officials worked to ward off any market-distorting social policy clause.[108]

Eventually, the French Socialist PM Guy Mollet and the German Christian Democrat Chancellor Adenauer reached an agreement when meeting in Bonn on 6 November 1956. The agreement could be summarised in the following way: the treaty was to include a section on social policy, but most of its provisions would not be

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the time, whereas it was forty-eight in Germany and Belgium. France had, in principle, equal pay for men and women; in the other countries women's pay was on average only 60-65 per cent of men's pay. France proposed harmonization on these issues by the end of the first stage of tariff removal (wage equalization during the following stages but before the final achievement of the customs union).

[106] The Italian delegation demanded the creation of a 'common social policy', which it hoped would help tackle the adverse effects of the common market on its weak economy. On the Italian position, see Antonio Varsori, "The Emergence of a Social Europe," in *The European Commission, 1958-72: History and Memories*, ed. Michel Dumoulin (European Commission, 2007), 174–75.

[107] The CNPF considered the common market, and European economic integration more generally, as a way to impose regulated liberalism in France and to restrict French social and economic interventionism. Laurent Warlouzet, *Le Choix de La CEE Par La France: L'Europe Économique Endébat de Mendès France À de Gaulle, 1955-1969*, Histoire Économique et Financière de La France . Etudes Générales (Paris: Comité pour l'histoire economique et financière de la France, 2011), 50–59. It is worth noting that although initially economic integration plans appeared to French employers as a way to restrain the interventionist tendency of the French government, the scarce coordination between European industrialists led to opposing strategies in terms of social harmonisation. In the years following the elaboration of the Rome treaty, French and German employers' unions started to meet in large numbers for frequent and detailed discussions under the auspices of their organisations. As European management was organising at the European Community level, their strategy reversed in favour of a downward coordination of social regimes. See Milward, *The European Rescue*, 216.

[108] Milward, *The European Rescue*, 208–16.

binding.[109] As a result of these negotiations, the EEC treaty included – besides the establishment of common policies in the fields of agriculture, transport and trade – a number of recommendations regarding economic and social policies.[110] Those parts of the treaty stipulated that the Community should work towards coordination of the economic and social policies of member states, harmonisation of national legislation, improving working and living conditions for workers, and increased cooperation with the social partners. In total, twelve out of 248 articles (117-128) were devoted to social policy; many of which were non-binding. Article 117, for instance, stipulated that "the member States acknowledge the necessity to promote improving living and working conditions of the labour force allowing for their equalization in progress". Article 118 conferred on the Commission the task of promoting "close cooperation between Member States in the social field" – namely in employment, labour law and working conditions, vocational training, health and security at work, the right of association, and collective bargaining between employers and workers. This would not be achieved through any transfer of power, but through soft coordination – studies, consultation, opinions and the exchange of information.[111]

In contrast, some clauses provided the Community with legislating powers in the social field. Those clauses concerned the principle of free movement of workers (art. 48, 49, 50, 51; this included equal access to social protection); freedom of establishment (52 and following); equal opportunities for women and men (art. 119); and the creation of the European Social Fund (ESF, art. 123-128). The task of the ESF was to support the creation of an integrated labour market by providing the financial means to improve labour mobility within the Community through vocational retraining and relocation. It had "the task of rendering the employment of workers easier and of increasing their geographical and occupational mobility within the

[109] This compromise provided Mollet with the mostly symbolic victory he needed to gain domestic support for the Treaty of Rome. Frances M. B. Lynch, *France and the International Economy: From Vichy to the Treaty of Rome*, Routledge Explorations in Economic History (London ; New York: Routledge, 1996), 181.
[110] Part three of the Treaty was entitled 'The Community's policy' and included a Title II on 'economic policy' and a Title III on 'social policy'. *Treaty Establishing the European Economic Community, Rome, 25 March 1957.* (Great Britain Foreign and Commonwealth Office, 1972).
[111] The original treaty was translated in English and published by the UK government; it can be found in Great Britain Foreign and Commonwealth Office, *Treaty Establishing the European Economic Community, Rome, 25 March 1957.* (H.M.S.O, 1972).

Community”. The ESF also aimed at alleviating (and supporting) industrial change in the Community.[112]

In sum, despite the declarations of intention concerning improved working and living conditions, and social progress, the overarching principle of the social clauses of the Rome treaty was to permit the creation and good functioning of the common market.[113] Social policy as defined in the treaty was not only connected with, but also secondary to, the aims of the Common Market. In other words, the EEC treaty “provided the means for market-making but not for market-correcting” social policies.[114] The principle of harmonisation of the social regimes of the member states responded to the aim of guaranteeing free competition. This has led several historians to the conclusion that the embryonic ‘European social policy’ included in the treaty was designed to serve a ‘productivist’ goal: improving the productivity of the common market and promoting economic growth.[115] As formulated by Varsori: “Under the EEC Treaty, individuals were regarded primarily as economic operators”.[116] Other historians however, like Milward, suggest the significant time and energy devoted to social matters in the negotiation of the treaty reflected the strong social commitment of the governments at the time, and the aim to build a commercial framework which would not endanger social achievements.[117] The social policy included in the Rome treaty was therefore obviously in no way comparable to national social policy regimes.

In actuality, the social clauses of the Rome treaty did not necessarily reflect the demands of European trade unions. In fact, the most serious opposition to the French government’s insistence on social legislation came from the German trade

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[112] *Foreign and Commonwealth Office.*

[113] This was the underlying objective admitted even by Jean Degimbe, one important stakeholder of EC social policy who was Director-General of the DGV on Social Affairs since the mid-1970s and until the 1990s. Degimbe, *La Politique Sociale Européenne*, 59–92. Regarding clause 119 on equal pay between men and women, for instance, he writes: “Although it was the fear to see differences of salary between women and men creating competition distortions between the different Community countries that was at the origin of that article of the Treaty, it is important to underline that during the 1950s, talking about equal pay between men and women was a very progressive position” (here p.60, my translation).

[114] Manow, Schäfer, and Zorn, *European Social Policy and Europe’s Party-Political Centerof Gravity, 1957-2003*, 22. Also Mark Kleinman, *A European Welfare State?: European Union Social Policy in Context* (Basingstoke ; New York: Palgrave Macmillan, 2001), 84.

[115] For instance Lorenzo Mechi e Francesco Petrini, "La Communità Europea Nella Divisione Internazionale Del Lavoro: Le Politiche Industriali’, in Varsori, *Alle Origini Del Presente*, 251–83; Varsori, “The Emergence of a Social Europe.”

[116] Varsori, “The Emergence of a Social Europe,” 428.

[117] Milward, *The European Rescue*, 216.

unions, which feared it would undermine their autonomy in collective bargaining. Generally, many national (sectorial and inter-professional) trade unions' preferred negotiation to legislation in several social fields, such as worked hours, paid holidays or wage bargaining. Moreover, trade unions' organisation and strategies greatly differed from one country to another, as did their social *acquis* and bargaining modes.[118] It was on the insistence of the 'pro-European trade unions movement' however, that a consultative tripartite body, the Economic and Social Committee (ESC) was set up with representatives of trade unions, employers and other interest groups. However, the ESC could only deliver non-binding opinions to the Commission, and on occasion to the Council, on certain economic and social issues regarding the implementation of the treaty.[119] Contrary to arrangements under the ECSC, the EEC Treaty did not stipulate the inclusion of any representative of trade unions into the college of the new Commission.[120]

The EEC treaty, like any treaty, represented only a legal framework. Although it was dominated by a regulated liberal approach, it could have been interpreted and applied in varying ways. Between the establishment of the EC in 1958 and the late 1960s, the application of the different measures included in the treaty was uneven. This period arguably saw the assertion of 'negative integration' over 'positive integration', which led to a dominance of the neo- and ordo-liberal aspects of the EC

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118 See Michel Launay, *Le Syndicalisme En Europe* (Paris: Impr. nationale, 1990); Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," chapter 1?; Georges Debunne, *Les Syndicats et l'Europe: Passé et Devenir* (Bruxelles: Editions Labor, 1987); Corinne Gobin, *L'Europe Syndicale: Entre Désir Et Réalité: Essai Sur Le Syndicalisme Et La Construction Européenne À L'aube Du XXIe Siècle*, Collection La Noria (Bruxelles: Editions Labor, 1997).

119 See Eleonora Calandri, "La genesi del CES: forze professionali e strategie nazionali", in Varsori, *Il Comitato Economico E Sociale Nella Costruzione Europea*, 47–65. The CES would always remain a marginal body within the Community decision-making process. Its lack of representativeness (trade unions only counted for a third of the votes) and of influence would be regularly contested by European trade unions. See Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 67.

120 In Corinne Gobin's view, the political power created with the EEC was qualitatively different from the one that had been created with the ECSC: less interventionist economically and less democratic politically. In brief, the EEC's new Commission and European Parliamentary Assembly had less power than the ECSC's High Authority and Assembly, and trade unions were associated less directly with decision- and policy-making. According to Gobin, this was a deliberate choice from the authors of the Rome treaty to favour a technocratic political model. Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 55–61. See for more details on the of the ECSC model in the EEC Treatyweakening Ernst B. Haas, *The Uniting of Europe: Political, Social, and Economic Forces, 1950-1957*, Contemporary European Politics and Society (Notre Dame (Indiana): University of Notre Dame Press, 2004).

over its interventionist dimensions.[121] The liberalisation of trade between member states was achieved quickly (although still imperfectly), and the principle of free competition was enshrined rather successfully. The competition policy that was developed under the impetus of the European Commission during the early 1960s drew largely on ordo-liberal ideas and became one of the bedrocks of the Community.[122]

Meanwhile, the 'interventionist' aspects of the treaty encountered many difficulties. Nevertheless, the creation of the Common Agricultural Policy (CAP) from 1962, after four years of hard negotiations, under the insistence of the French government and due to the commitment of the Dutch Commissioner for Agriculture Sicco Mansholt, is a notable exception to the 'negative integration' theory. The CAP relied on a strong 'mercantilist' or 'protectionist' stance in Community preference – heavily taxing imports while generously subsidising exports of agricultural products. The CAP has been the principal and most well-known common policy of the EC to today, and would take more than two-thirds of the EEC budget until the 1980s. Price policy allowed the protection of European agriculture and the maintenance of farmers' incomes, while European subsidies encouraged modernisation and increased productivity. Thus, there was also a redistributive aspect to the CAP, which led Ann-Christina Knudsen, following Milward, to argue that "it may be possible to see the CAP as the European Rescue of the agricultural welfare state".[123] Although this interpretation could be contested to some extent, the CAP undeniably introduced the first and most far-reaching financial solidarity mechanism between EC member states.

Alongside these measures, since 1959, the French Commissioner for Economics and Financial Affairs, Robert Marjolin, was striving to put forward a

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121 'Negative integration' refers to the removal of tariffs, quantitative restrictions, and other barriers to trade or obstacles to free and undistorted competition; in contrast, 'positive integration' implies the creation of measures aimed at intervening directly in the economy. Fritz Wilhelm Scharpf, *Governing in Europe: Effective and Democratic?* (Oxford ; New York: Oxford University Press, 1999), 45, 50–52.

122 During the early 1960s, the European Commission managed to pave the way for a common competition policy that drew largely on ordoliberal and neofunctionalist ideas, with the support of the German and Dutch authorities. The German Commissioner for Competition, Hans von der Groeben, worked closely with the famous ordoliberal advocate, Alfred Müller-Armack. Warlouzet, *Le Choix de La CEE Par La France*, 269–338.

123 Ann-Christina L. Knudsen, *Farmers on Welfare: The Making of Europe's Common Agricultural Policy* (Ithaca: Cornell University Press, 2009), 315; on the making of the CAP see also N. Piers Ludlow, "The Making of the CAP: Towards a Historical Analysis of the EU's First Major Policy," *Contemporary European History* 14, no. 3 (August 2005): 347–371; Katja Seidel, "Contested fields: the common agricultural policy and the common fisheries policy" Bussière et al., *The European Commission, 1973-86*, 313–28.

planned Europe – *'Europe organisée'* – that would combine market opening and the coordination of economic and monetary policies.[124] In the 1960s this alternative vision gave birth to projects to coordinate member states' economic, monetary and industrial policies. Those projects remained rather unsuccessful however, despite the creation of a number of programmes and committees, such as the projects of 'medium-term economic policy programmes' in the second half of the 1960s.[125]

The predominance of negative integration over positive integration was also a consequence of the member states' reluctance to undermine their sovereignty by transferring competences from the national to the Community level. During the 1960s, this reluctance was peaked under pressure from the French President Charles de Gaulle. It culminated in the 1965-66 'empty chair crisis' when Walter Hallstein's federalist ambitions at the head of the European Commission visibly conflicted with the strictly intergovernmental views of the French government. In January 1966, the so-called 'Luxembourg compromise' put an end to this institutional crisis of the EEC, tethering the Commission to the Council, introducing qualified majority voting in the Council, but preserving member state sovereignty with the introduction of a *de facto* veto power for matters considered to be of 'very important national interest'.[126] These institutional crises affecting the EEC during the 1960s also impacted on the early achievements – or lack thereof – in the field of social policy.

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124 Warlouzet, *Le Choix de La CEE Par La France*, 339–417. It is worth noting, however, that although he was inspired by the then ongoing French experience in indicative planning and was an advocate of Keynesian economics, Marjolin was also close to French liberal and neoliberal circles since the 1930s.

125 A 'cyclical economic policy committee' was created in 1959-60, a monetary Committee was established in the early 1960s and was complemented in 1964 by the creation of a Committee of the governors of central banks and a Committee for budgetary policy. Eric Bussière, "Les tentatives d''une politique économique et monétaire', in Dumoulin and Bitsch, *The European Commission, 1958-72*, 413. The medium-term economic policy programme proposed by the Commission was adopted by the Council at the end of April 1966. The same coordination method relying on the construction of progressive consensus between member states through working groups studies and epistemic communities were used in the very early plans for monetary integration envisioned since the late 1950s by Marjolin, Monnet, Uri, Triffin, and Barre. See Eric Bussière, "An improbable industrial policy", in Dumoulin and Bitsch, 459–70; Warlouzet, *Le Choix de La CEE Par La France* chapter VI on Robert Marjolin.

126 See in particular N. Piers Ludlow, *The European Community and the Crises of the 1960s: Negotiating the Gaullist Challenge*, Cold War History 9 (London ; New York: Routledge, 2006).

5. European Social Policy until the late 1960s

From its creation in 1958 until the late 1960s, the Community's delimitation of social policy was narrow, and its action in the social field limited. The early work in the EC institutions was absorbed mainly by the creation of the customs union, the common market and the first common policies described above – chiefly the CAP and competition policy. Some timid efforts to start applying, let alone extending, Community competences in the social field came mainly from the Commission, the EP, the ESC, and the Italian government.[127]

Within the European Commission, the Directorate-General for Social Affairs – DGV – was entrusted to Italian Commissioners between 1958 and 1970 – the Christian Democrat Giuseppe Petrilli (1958-1960), and later Lionello Levi Sandri (1960-1970), an expert in labour law with close ties to the Social Democratic Party. This choice reflected the interest of the Italian government in the establishment of a European social policy. During those early years, DGV was very cautious in its approach to social questions. It understood the treaty as providing limited room for manoeuvre in the implementation of any ambitious social policy, and at first limited its work to collecting data on the different social regimes and legislations of the member states, and to trying to establish a working routine with the social partners and with the other Community bodies. In its first memorandum on social policy in 1959, the Commission identified few fields of action as its domains of competence: free movement of labour, the activities of the ESF (in connection with those of the European Investment Bank, EIB), vocational training in the agricultural sector, and the coordination of economic and social policies of the member states.[128] The main concern of the Italian commissioners was to set in motion a policy that would enable surplus Italian labour to relocate to other parts of the Community, where labour was needed.

Therefore, until the late 1960s, efforts to delineate a 'common social policy'

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[127] On the role of the ESC and of the European Commission in promoting the development of a common social policy, see respectively Maria Elena Guasconi, "Il CES e le origini della politica sociale europea 1958–1965", in Varsori, *Il Comitato Economico E Sociale Nella Costruzione Europea*, 155–67; Antonio Varsori and Lorenzo Mechi, eds., *Lionello Levi Sandri E La Politica Sociale Europea*, Temi Di Storia 127 (Milano: F. Angeli, 2008).

[128] The first memorandum on social policy was drafted under Petrilli's supervision and entitled 'La politique sociale ; traits généraux et programme' (20 November 1959). Antonio Varsori, "The emergence of a social Europe", in Dumoulin and Bitsch, *The European Commission, 1958-72*, 427–41.

within the institutions of the EC mainly concerned free movement of labour, including access to social benefits for migrant workers, and the creation and operation of the ESF. According to articles 48 and 49 of the Treaty of Rome, free movement of labour was to be established before the end of the transitional period of the customs union, in 1970. This implied suppressing any form of nationality-based discrimination between member states' workers regarding access to employment, remuneration, and working conditions. It was not until 1968 that the Council adopted the first substantial decision in the field, Regulation 1612/68.[129] Until then, preparatory studies and discussions took several years and focused, for instance, on the problem of removing priority for national workers in access to employment, or on reducing waiting time and facilitating procedures for the issuance of work permits. The main goal was to encourage and ease movement of workers between member states through the slow creation of what came to be called a Community 'employment policy'. To this end, a number of organs were created. In 1961, a European Coordination Bureau was created under the control of the Commission. This office was intended to collect offers of vacancies and of unemployed workers from the various member states, and to match supply with demand. In addition, a Consultative Committee (composed of representatives of governments, trade unions and employers' organisations), and a Technical Committee (Composed of government representatives), were set up with the task of advising the Commission in this field.[130]

In complement to the question of free movement of labour, was the question of the rights that a worker could enjoy when she or he moved from one country to another. Discussions were difficult on the question of coordination of social security benefits for migrant workers. The difficulty consisted in deciding which country – host or origin – was responsible for paying social benefits to EC migrant workers, and which regime should apply. During the early 1960s, under the insistence of the Italian government, some regulations were adopted to improve social allowances for seasonal and cross-border migrant workers. The first timid achievements in this field,

[129] Council regulation 1612/68 on 15 October 1968 (*Journal Officiel* (henceforth *JO)* L 257 19/10/1968) that would henceforth govern free movement of workers within the EC. For a list of the decisions, directives and regulations that were progressively adopted to complement Regulation 1612/68, specifying the beneficiaries, extending to families, DOM-TOM, etc. thus regulating the scope and nature of workers' right to free movement within the Community, see Degimbe, *La Politique Sociale Européenne*, 64–65.

[130] Peter Coffey, ed., *The Economic Policies of the Common Market* (London: Macmillan, 1979), 53–56.

however, only came in 1971.[131]

In the same vein, since its establishment in 1961 the activity of the ESF concentrated on promoting geographical and inter-professional mobility of labour. The Fund was managed by the Commission with the consultancy of a tripartite Committee. Before its first reform in 1972, the ESF mainly focused on co-financing vocational training courses to support regional mobility and reconversion. Between 1960 and 1970, 154.2 million European Units of Account – admittedly a meagre amount – were allocated to this end.[132] During the 1960s, the Fund proved to be quite inefficient and many applications could not be satisfied. Several efforts were made to propose its reform, not least under the insistence of the EPA/EP. However, in part because of the reluctance of countries like France and Germany, and because of tensions between the member states, the Fund's activities remained very limited.[133]

Furthermore, contrary to the provisions of the treaty, at the end of the transition period of the customs union in 1970, article 119 on equal pay for women and men had not been the object of any Community initiative, and hence remained unheeded.[134]

There were several reasons for the relative stalemate in the implementation of the social provisions of the EC treaty. First, there was a lack of political will from member states. Social rights and benefits differed greatly between each country, and made discussions on coordination particularly arduous. Aside from Italy, most governments were uninterested in the creation of a 'European social policy' during the 1960s, since social provisions were considered part of the domain of national sovereignty and since social conflict and pressures remained manageable during those years. Some countries, like France during the presidency of de Gaulle, were particularly reluctant to see the Commission obtain more competences and powers in any policy field, including social policy. Therefore, efforts to increase the social

[131] On the evolution of internal migration flux and migration policies in Europe at the time, see Federico Romero, *Emigrazione E Integrazione Europea, 1945-1973* (Roma: Edizioni Lavoro, 1991); Emmanuel Comte, "La Formation Du Régime Européen de Migration, de 1947 À 1992" (Paris 4, 2014).

[132] The European Unit of Account (EUA) was a basket of the currencies of the European Community member states, used as the unit of account of the European Community before it was replaced in 1979 by the European Currency Unit (ECU), itself replaced in 1999 by the euro.

[133] On the emergence and activities of the ESF in the 1960s, see Lorenzo Mechi, "Les États membres, les institutions et les débuts du Fonds Social Européen", in Varsori, *Inside the European Community*, 95–116. Council Regulation of 9 May 1961 established the functioning of the ESF in its initial form. See also René Leboutte, "Cinquante années d'action sociale en Europe : le Fonds social européen," 2008.

[134] Di Sarcina, *L'Europa Delle Donne*.

competences of the Community met with stiff opposition.

During the 1960s, for instance, under the impetus of Lionello Levi Sandri, the Commission, backed by the ESC and the EPA/EP, drew up plans to promote exchanges between young trainees, as well as policies and an action programme on vocational training.[135] The projects provoked lukewarm reactions from a number of governments, especially from those of France and Germany, which criticised the financial burden that these initiatives would involve. As in the case of the ESF, the French government was also highly critical towards the political implications of such initiatives. The proposals implied enhancement of the Commission's powers and competences, to which the French government was fiercely opposed. From the end of 1962, the tensions between the Commission and the Council started to increase around the division of their respective prerogatives, not least in the social field. By the mid-1960s, due to increasing tensions between the French government (and by extension the Council) and the European Commission, Community social policy was in a deadlock. Between December 1964 and November 1966, there were no meetings of the ministers for Social Affairs in the Council.[136]

Second, the social deficit of the EC can be attributed in part to a lack of resources available to the Commission. Until 1970, unlike the ECSC, the EC did not receive its own resources directly from import taxes and VAT. The Community's lack of financial independence meant more dependence on governments who had to agree on each of its expenses. The High Authority of the ECSC, thanks to its own resources, was able to adopt a rather proactive stance and to finance ambitious social programmes. In particular, in 1954 it managed to establish a housing programme financing the construction, acquisition and renovation of housing for workers in the coal and steel industries by granting long-term loans on very low interest rates. To finance the loans, the High Authority created a 'Special Reserve' fund financed by its own resources and by fines and interest rates. In order to launch this programme despite the absence of juridical provision in the Paris Treaty on social housing, the High Authority relied on article 54, which authorised it to finance programmes, works and infrastructures that would directly contribute to improving the productivity of coal and steel production. Hundreds of thousands of units of social housing were co-

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[135] Francesco Petrini, "The Common Vocational Training Policy in the EEC from 1961 to 1972," *Vocational Training European Journal* 32, no. 2 (August 2004): 45–54.

[136] Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 367.

financed this way, allowing workers to become owners on relatively good financial terms.[137] Despite support from the European Parliamentary Assembly and the ESC, the EEC Commission did not have the financial means to autonomously implement this kind of interpretation of the Rome treaty.

Third, in the years following the signature of the treaty, the French government quickly lost its initial interest in the application of social harmonisation clauses after the socialists of Mollet handed power over to the Gaullists, who considered social provisions to be a strictly national prerogative.[138] French concern about the negative impact of its higher social protection on the competitiveness of its industries quickly vanished as the economy grew at a high rate after 1958. Meanwhile, German wages and social expenditure were also rising. The incentives for social harmonisation therefore decreased. As a result, article 100, which conferred powers to the Community to harmonise such national laws that affected the Common Market, was never mobilised in the social field. According to Scharpf, this "road not taken" led increasingly to the "de-coupling of economic integration and social-protection issues".[139]

Fourth and finally, as explained earlier, the provisions of the Rome treaty regarding social policy were mostly non-binding and did not provide the Community with legislating prerogatives. According to several authors, the social provisions of the EEC treaty were more restrictive than those of the ECSC treaty.[140] Besides financing social housing, the ECSC was able to adopt a progressive approach in the fields of vocational training and relocation (including temporary income maintenance), and health and security at work (it heralded legislation in these two sectors after the deadly 1956 mine accident in Marcinelle in Belgium). Furthermore, when the coal and steel sectors started to decline at the end of the 1950s due to growing oil competition, the ECSC was able to develop large-scale reconversion support schemes; firms were encouraged to permanently change their activity and could receive provisions to temporarily maintain their staff salary during

[137] The ECSC housing programme, as all other competences of the ECSC, were taken over by the unique Commission after the fusion of the executives (ECSC, EEC, EURATOM) in 1967.

[138] Lise Rye, "The Rise and Fall of the French Demand for Social Harmonization in the EEC, 1955-1966" Katrin Rücker and Laurent Warlouzet, eds., *Which Europe(s): New approaches in European integration history* (Bruxelles: P. Lang, 2006), 155–68.

[139] Scharpf, *Governing in Europe*, 646.

[140] See Varsori, "Development of European Social Policy," 170–78; Degimbe, *La Politique Sociale Européenne*, 17-20-57.

reconversion.[141]

The fourth point should be challenged, however. To some extent, the ECSC did have a stronger 'social leg' than the EEC.[142] It is true, as explained earlier, that most clauses of the Rome treaty concerning collaboration in the economic and social policy fields were mere recommendations and were non-binding. However, the Rome treaty did introduce some important new clauses such as equal pay for men and women (article 119), which were simply not implemented for lack of commitment by the member states within the Council. A case in point, the achievements of the ECSC in the social field showed that the High Authority was capable of being proactive even when legal provisions were initially missing.

What was really missing until the late 1960s was political will, as well as political and social pressure for the establishment of a common social policy. Governments were not alone in their reluctance. European trade unions were mostly organised at national and sectorial level and at first did not consider EC-level action as necessary or useful. The European Community was not yet seen as a real potential actor in the social field, or as a lever for the affirmation of a 'social model' in Western Europe. Besides, despite a slight improvement when Levi Sandri took office at the head of DGV, the trade unions were very scarcely connected to the decision-making process of the Community, whether at Commission or Council level.[143] As a result, they had even less leverage to put forward demands for social measures. This started to change at the end of the 1960s, when the social, economic and political stability that characterised the post-war years started to tremble significantly.

6. Conclusion

Summing up, during the post-war decades (until the late 1960s), European integration emerged as a predominantly economic enterprise dominated by a regulated-liberalism

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141 Verschueren, *Fermer Les Mines En Construisant l'Europe*.

142 Contrary to the demands of the trade unions, the Rome treaty only established three forms of participation by the unions into the institutional architecture of the EEC (in the CES, the Social Fund Committee, and through consultation by the Commission for some social questions as stipulated by article 118). The initial claims of the trade unions – designation of one Commissioner by trade unions and parity of representatives within CES – were not met.

143 The Council generally showed reluctance to let trade unions play a role at the Community level. Until the late 1960s, the dispute opposing the Commission to the Council – after the member states' stiff opposition to increasing the former's powers – led the Council to impose a freeze on the Commission's relations with trade unions. Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 367.

approach. The overarching idea of the inventors of the 'Common Market' was that social progress would stem naturally from the benefits of economic integration and expansion. Indeed, European integration supported the exceptional growth of the post-war 'golden' years. In that sense, indirectly, economic cooperation and integration buttressed the post-war compromise and the development of comprehensive welfare states in Western Europe. It entrenched the stabilisation of capitalism – welfare capitalism – throughout the continent.

However, the economic foundations of the EC more specifically, did not make much room for a 'social' Europe. The social deficit of the Rome treaty was reinforced in the first years of functioning of the Community by the predominance of negative integration and by the reticence of member states to achieve social integration at a time when social policy was (still) one of the main sources of legitimacy of European nation-states. Moreover, the tensions between the Commission and the Council during the 1960s – and the stiff position of the French government towards further integration – contributed to the freezing of any progress towards more social policy. Solidarity and some level of redistribution within the EC were almost exclusively concentrated in the CAP, and concerned an admittedly important but delimited sector of European societies.

Until the late 1960s, at the end of the official transitional period of the Common Market, most social clauses had not even been partly implemented. What had been achieved was exclusively geared towards enabling the functioning of the Common Market. There was no market-correcting European social policy and even those 'market-friendly' social policies that were inscribed in the treaty were at a standstill. Mobility of workers encountered great difficulties, and the ESF was defective. Article 119 on equal pay between women and men remained completely dormant. Besides, the supranational institutions of the nascent 'Europe' – as the European Community started to be called – recognised only in a perfunctory way the parliamentary and functional democracy models that were consecrated in the post-war compromise. Workers representatives were remotely linked to the institutional wheels of the EC, but did not exercise any substantial influence on its decision-making process. There was a lack of political will and social pressure for any other state of affairs.

At the end of the 1960s however, a combination of new factors forced European political elites to abandon their confidence that enduring economic growth

alone would suffice to create social progress. A series of economic, social and political changes affected European societies at a moment when the international equilibrium – dominated by Cold War rationales – was shifting and pushing for a redefinition of Western Europe's place in the world. As a result, new plans arose for a European *'relance'*. By December 1969, when the Heads of States and governments of the 'Six' gathered in The Hague to discuss the way forward, voices had started to emerge on the transnational European Left for a more 'social' Europe. A new consensus then emerged across the political spectrum around the idea that creating a free European market alone was not enough. The economic development supported by European integration had social implications that needed to be tackled at a trans- and supra-national level. In other words – the idea that more economic and social interventionism was necessary *at European level* started to catch on.

Chapter Two
Social uprising, the European Left, and European integration in the late 1960s

1. Introduction

European cooperation and integration plans as they appeared in the decades after the Second World War were constitutive parts of the postwar 'order'. Directly or indirectly, they sustained economic growth, political and social stabilisation, and contributed to the emergence of the age of welfare capitalism in Western Europe. The second half of the 1960s showed increasing signs that the postwar settlement was starting to tremble. By the late 1960s, the dramatic economic growth that had characterised the so-called 'Golden Age' was slowing down, while social conflict erupted with striking force across the continent.

Against this backdrop, the heads of governments of the 'Six' member states of the EC agreed at their 1969 Hague summit to improve and deepen their cooperation, and started on the road to the first enlargement of the EC to the UK, Ireland and Denmark a few years later. After a decade marked by institutional crises and perceived stalemate, the 1969 *'relance'* facilitated enhanced European cooperation and integration in the economic, monetary, and political fields throughout the 1970s. It was also marked, as several historians have noted, by greater (although embryonic) attention to the social consequences of European integration, and to the need to establish a 'European social policy'.[144] The initial confidence of the signatories of the 1957 Rome treaty, who believed that social welfare would automatically follow from economic integration, was henceforth seriously challenged.

This chapter investigates the reasons for the rise of a new concern for the social dimension of European integration at the end of the 1960s. First, the deep social, economic and political changes that affected Western Europe during the

[144] For instance Maria Eleonora Guasconi, "The Unions and the Relaunching of European Social Policy," *European Journal: Vocational Training*, no. 32 (2004); Varsori, "Development of European Social Policy."

second half of the 1960s are examined. This changing context impelled a new outlook on European integration for the following decade, and had profound implications on the way European political stakeholders tried to envisage a more 'social' Europe throughout the 1970s. Second, the chapter sets out the transformations undergone by left-wing Western European forces during those years. The late 1960s saw a significant reorganisation and assertion of the forces of the Left in Western Europe, which coincided with a growing conviction among the institutional 'European Left' – in short, socialist and social-democratic parties, communist parties, and their 'sister' trade unions – that European integration could be the key to establishing a socialist and democratic Europe. This 'European turn' prompted these forces to embark on efforts of transnational cooperation and coordination, and increasingly, to commit to the EC. Third, it measures to what extent this 'turn' impacted the direction of the European *relance* that was decided at The Hague Summit in December 1969. During the late 1960s, more claims and initiatives arose, demanding remedy for the democratic and social deficit of European integration as embodied by the EC.

2. The 'Great Contestation' and the exhaustion of the post-war order[145]

By the end of the 1960s, important changes took place in Western Europe that loomed over the social, political and economic stability of the postwar years. These changes need to be properly understood insofar as they led political elites to engage in a broad rethinking of the scope and role of European integration, including a greater appreciation of its social dimension.

One of the main reasons for the new attitude European political elites' adopted towards social issues was the wave of contestation that shook Western Europe at the end of the 1960s and beginning of the 1970s. An important strand of this protest movement was a revival of working class militancy. Between 1960 and 1973, two distinct cycles of strikes affected most of Western Europe.[146] The waves of strikes

[145] The expression is borrowed from Donald Sasson, who groups under this expression the revival of working class militancy in the 1960s-1970s, the revival of feminism, the student contestation and revival of ideology. See Sassoon, *One Hundred Years of Socialism*, 1996 book 2. This section draws largely on Sassoon's work since it provides a useful overview of the contestation that emerged in Western Europe and its impact on the 'European Left'.

[146] Sassoon, 357–82. See in particular pp. 358-361 for figures of strike waves in all Western European countries from 1960 to 1975. The first cycle of strike, which occurred between 1960 and 1964, did not affect Belgium and occurred later than elsewhere in Sweden (1966); all countries, except Austria, participated in the second cycle, which occurred around 1968-72. In Holland, the upsurge in strikes took place in 1973, later than elsewhere. The first cycle was far less marked than the second.

that notably touched France in May – June 1968, and Italy during the 1969 '*autumno caldo',* were unparalleled in the whole postwar period. Although the intensity of work stoppages varied considerably between countries, there was a marked upswing in the late 1960s and early 1970s in almost every Western European country. Despite national differences, the intense industrial conflict of the late 1960s was a European-wide phenomenon.

Concomitantly, inflation appeared. Whether the rising inflation rates were an effect of increased wage pressure from workers, or of other factors like the overheating of the American economy, is subject to fierce scholarly debate. In any case, governments and central banks often responded to inflationary pressure by adopting wage restraints and deflationary policies; whereas employers sought to contain wages and cut costs by rationalising work practices, e.g. trying to increase productivity by speeding up assembly lines. These responses in turn exacerbated workers' discontent and supported the revival of working class militancy.[147]

Workers' contestation took the form of spontaneous strikes, high rates of absenteeism and the sabotage of production plants. The claims behind this revival of working class militancy were plentiful and are difficult to assess as a whole. Mainly, workers demanded higher wages, shorter working time, and improved working conditions. Surrounding these core demands there was a wider, more political set of issues, such as the claim for 'workers' participation', 'humanisation of the work process' or issues of workers' control – especially over the work process or the speed of assembly lines. There was a broad aspiration to increase the political weight of the workers against the relative depoliticisation that characterized the post-war compromise. Importantly, the demand for 'industrial democracy' through unofficial strikes represented a contestation not only to employers and governments. It was also a challenge to the established trade unions – especially in countries where the trade union movement was highly centralised – and to their historical political allies, the parties of the institutional Left.[148]

At the same time, in the late 1960s a student contestation movement emerged across most of the Western world, with particular strength in West Germany, France, Italy, Holland, and Sweden. Among the so-called 'baby-boomers' generation (born

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[147] David Soskice, "Strike Waves and Wage Explosions, 1968–1970: An Economic Interpretation," in *The Resurgence of Class Conflict in Western Europe since 1968* (Palgrave Macmillan, London, 1978), 221–46, https://doi.org/10.1007/978-1-349-03025-5_9.

[148] Sassoon, *One Hundred Years of Socialism*, 1996, 369–70.

during or immediately after the war), the student movement showed a broad commitment to values that can be generally described as 'anti-establishment'. The student revolts involved mostly the occupation of university buildings and street demonstrations. They remained in large part independent of the workers' revolts. Much like the worker contestation, the student contestation was diversified and sometimes contradictory. It relied on an ideology of strong anti-authoritarianism and declared anti-capitalism, a rejection of rules and bureaucracy, and a strong opposition to different forms of oppression. As Donald Sassoon points out, it also showed a renewed interest in socialism and coincided with a revival of Marxism amongst a significant minority of young middle-class intellectuals.[149] It contributed to important changes in academia, not least in the humanities and social sciences, where social history and sociology were spreading rapidly.

The social and cultural unrest of the 1960s also contributed to increasing exposure of institutionalised and disguised forms of sexism, racism and other forms of oppression. The 1960s and 1970s saw the birth of civil rights movements, peace movements, ecological movements, and the emergence of a mass and transnational feminist movement – the so-called 'second wave' of feminism. This intensification of feminist activism across Western Europe and the world took multiple forms and articulated a set of heterogeneous demands, one strand of which was a radical anti-capitalist 'socialist-feminist' critique.[150]

It should be noted that these student movements emphasised issues – such as direct participation and defiance towards representative/delegated authority – which resonated with some of the demands of the workers. The youth revolts and feminist movements spread similar ideas about the increased autonomy of individuals and the more radical democratisation of society, although they were less specifically targeting the workplace. They called for a liberation of the codes of behaviour, clothing, sexuality, and culture. Crucially, all these contestations revealed that the economic successes of postwar managed capitalism, although buttressed by the welfare state

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[149] Studies on the works of the young Marx, Rosa Luxemburg, Antonio Gramsci, Georg Lukacs, Karl Korsch, and many others flowered in those years, although the new interest for Marxism may not have been dominant in the student movement. Sassoon, 383–86.

[150] The 'second wave' metaphor and periodization is today questioned however, as it conceals the heteregoneous forms and demands or these movements, and implies that there were some historical periods (before and after the 'waves' that were feminist-free zones. See for a recent transantional enquiry of 'second wave' feminism Barbara Molony and Jennifer Nelson, eds., *Women's Activism and "Second Wave" Feminism: Transnational Histories* (Bloomsbury Publishing, 2017); Nancy Fraser, *Fortunes of Feminism: From State-Managed Capitalism to Neoliberal Crisis* (Verso Books, 2013).

and legitimised by representative democracy, were not sufficient to satisfy European societies. These movements challenged the social, economic and political foundations of the post-war consensus and called for new formulas. After two decades of pretended resolution of social conflict, the resurgence of contestation under these various forms signalled the limitations of the so-called political compromise that characterised the three post-war decades. The consequences of these contestations were far-reaching, multi-faceted, and extended well into the 1970s. The protests and demands of the contestators, as the following chapters will show, had direct consequences on the way political elites tried to respond to the problems of the 1970s at national and EC-European level.

Another important and related reason for European political elites' new attitude towards social issues derived from the question of whether growth built on the conditions of the post-war 'golden age' could last, as mounting inflation and declining profitability signalled that it might be coming to an end. The 1960s had been the heyday of extensive growth in Western European countries. As explained in the previous chapter, rising export growth was driven by trade liberalisation – especially with the creation of the EEC and EFTA – and supported by state policies that sustained investment. Growth depended greatly on investment, which in turn depended on "the postwar bargain of wage restraint in return for the retention of profits".[151] Against this backdrop, intensification of wage and price inflation would inevitably threaten the stability of the postwar compromise.

During the second half of the 1960s, the conditions that had made ample supplies of labour available to the modern industrial sector and contributed to wage restraint gradually changed. Several factors accounted for this. For instance, the period when labour was reallocated from agriculture to industry was drawing to a close. The rise of immigration from Southern Europe and other parts of the world (Middle East, North Africa, the Caribbean) provoked political reaction and led governments to tighten immigration policies. As the labour market was tightening, the threat of unemployment no longer disciplined wages to the usual extent and the push for higher wages and consumption standards grew.[152]

[151] Eichengreen, *The European Economy Since 1945*, 216.
[152] Eichengreen, 198–204. Note that women constituted another potential reserve of spare labour, which could only be used with a substantial modification in the public/private division of labour, family models, childcare provisions, and cultural gender stereotypes. This would be achieved in later years as a result of second-wave feminism, and would contribute to easing the shift to neoliberal forms

The worker contestation of the 1960s then contributed to exacerbating rising inflation across Europe. As summarised by Eichengreen:

> To subdue the wave of strikes and demonstrations, the [French] government upped the minimum wage by 35 percent; in sympathy, other wages rose by more than 10 percent. (…) Between 1966 and 1969, nominal wages rose by 11 percent in Italy and Denmark, 13 percent in the Netherlands, and 15 percent in Ireland. (…) Although real wages rose by only half that amount, the other half being dissipated by increases in consumer prices, labor productivity failed to keep up. The resulting increase in unit labor costs was substantial. Days lost in strikes also rose. Evidently, the long postwar period of labor peace was drawing to a close.[153]

As wages exploded, productivity growth slowed and profits were squeezed, reducing as a result the available earnings from capital. This undermined the incentive for investment. In other words, the very successes of the golden age seem to have undermined its basis.[154] There was, concomitantly, a saturation of Western European consumption markets, which led to an exhaustion of the Fordist model of production.[155] These factors, combined with an increase in raw material import prices, all contributed to the incipient economic slowdown. Meanwhile, as a response to rising production costs, European companies gradually began to relocate production plants to countries where the labour supply was cheaper, social conditions were worse and fiscal pressure was lower. New technologies appeared which decreased the need for labour in production lines. By the late 1960s, unemployment rates started to rise again, and monetary turmoil appeared in some Western European countries like France and Britain. This nurtured fears about the viability of the international monetary system, which was based on the 1944 Bretton Woods agreements of pegged but adjustable exchange rates.[156]

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of capitalism. See Nancy Fraser, "Feminism, Capitalism, and the Cunning of History," *Cahiers Du Genre* No 50, no. 1 (November 1, 2011): 165–92..

[153] Eichengreen, *The European Economy Since 1945*, 217.

[154] Andrew Glyn, *Capitalism Unleashed: Finance Globalization and Welfare* (Oxford ; New York: Oxford University Press, 2006) chapter one. See in particular the sections 'organised labour', 'International disorganisation' and 'productivity slowdown' on this matter.

[155] For an early analysis of the exhaustion of Fordism, see Boyer, *La Flexibilité Du Travail En Europe* in particular chapter 9, "Convergences et spécificités nationales."

[156] "In a few European countries, like in France at the end of the decade, pressure on wages and rising consumption demands led to a deterioration of the external accounts, and led to increasing concerns regarding the balance of payments. Devaluation of the franc was imposed in 1968 and 1969, and the sterling in 1967. If the sterling, the second most important reserve currency, could be devalued, then the same fate might ultimately befall the dollar. The implication was that the prospects for the Bretton Woods System, one of the foundation stones of the postwar golden age, were uncertain. And that

These first signs of economic slowdown and of monetary turmoil also raised fears about the negative impact they might have on the EC. The rapid expansion of trade that had followed the creation of the EEC was not yet affected and was even reinforced by the completion of the Kennedy Round of the GATT negotiations in 1967, which cut tariffs on manufactured goods by half. The Common Market was completed in 1968, a year and a half ahead of schedule. What is more, some of the EFTA countries were knocking at the door of the EC, thereby consecrating the success of the alternative model of economic integration promoted by the initiators of the EC. There were, however, some preoccupations about the years ahead. As noted by Eichengreen:

> [S]lower growth might make it more difficult for workers in industries experiencing consolidation to find employment in expanding sectors. More adjustment difficulties might mean greater resistance to trade liberalization and increasing resort to nontariff protection. Finally, the instability of currencies, although still more a fear than a fact, potentially threatened the cohesion of the European Community and the dynamism of global trade. The expansion of trade was predicated on the stability of the international monetary framework. And by the end of the 1960s, that framework was suffering from mounting strains. Increasingly, questions were raised about whether the golden age of export-led growth and even the European Community itself could survive its demise.[157]

In France, for instance, productivity slowdown and wage increases (following the 'Grenelle Agreements') had a negative impact on public deficit and balance of payment. The franc suffered speculative pressures and was devaluated by 11.1% in April 1969, while the deutschmark was revalued against all other European currencies in October.[158] These monetary fluctuations affected the functioning of the CAP and threatened to affect the functioning of the Common Market as well. It demonstrated how social unrest could indirectly put the EC at risk. Against this backdrop, European political leaders contemplated options for regional monetary integration in order to ensure monetary stability.

As the economic compromise of the post-war era seemed to wear out and industrial conflict was forcefully reappearing, Western Europe's political landscape

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uncertainty gave Europe all the more reason to contemplate reorganizing its financial relations on a regional basis." Eichengreen, *The European Economy Since 1945*, 225–26.

[157] Eichengreen, 223–24.

[158] Bertrand Blancheton and Christian Bordes, "Débats monétaires autour de la dévaluation du franc de 1969," *Revue européenne des sciences sociales. European Journal of Social Sciences*, no. XLV-137 (July 1, 2007): 213–32.

was also changing. The impact of the contestation movements of the 1960s on European political parties is difficult to assess with precision. Although they did not immediately penalise or reinforce any given political family on the right or the left of the political spectrum, they certainly had long-lasting effects on them. In different ways, the forces of the Left were eventually strengthened by the contestation; the late 1960s and 1970s marked the heyday of social democracy in Western Europe and saw a general consolidation of trade unions.

In France, at first glance, the 1968 elections held in the aftermath of the May events appeared to be a serious blow for both the *Parti Communiste Français* (PCF) and the socialists, and marked a reassertion of Gaullist power.[159] At the same time, however, the strike waves facilitated the unity of the trade union movement (CFDT, CGT, LO) and of the parties of the Left. The contestation partly contributed to the redefinition of French socialism that culminated with the creation of the new *Parti Socialiste* (PS) in 1971 at the Epinay congress, and paved the way to the adoption of a common programme of the Left between the PS, the PCF, and the centre-left *Mouvement des Radicaux de Gauche* (MRG) in 1972. In West Germany, the youth movement, including the SPD's own youth section, was very critical towards the party's mutation into a centrist people's party and towards its further compliance with liberal market economy principles since it entered the *Grosse Koalition* in 1966.[160] However, the SPD was the prime beneficiary of the 1969 movements during the September elections, which enabled Willy Brandt to become the first SPD chancellor of the Federal Republic of Germany (FRG). In Italy, the contestation movements strengthened the trade union movement, which became more politically united (although their centralist structure was undermined by the emergence of shop-floor organisation of workers within the factory councils). Although the Italian social movement partly entered extra-parliamentary activism, it also paved the way for a

[159] Mitterrand's FGDS lost sixty-one seats, with 16.5 per cent of the votes; the PCF lost thirty-nine seats, obtaining 2.0 per cent. The entire Left now held only ninety of the 487 seats in the National Assembly. The Gaullists made inroads among industrial workers, obtaining more working-class votes than the communists. Sassoon, *One Hundred Years of Socialism*, 1996, 401.

[160] Since 1966, the SPD was part of a *Grosse Koalition* with the CDU and CSU, with Willy Brandt as vice-Chancellor and Kurt Georg Kiesinger as Chancellor. In 1967 that government applied the *Stabilitätgesetz* scheme, which relied on the four principles of growth, price stability, full employment, and foreign balance stability, thus shifting away from the traditional values of social democracy. Furthermore, the unofficial strikes of 1969 were a reaction against the government's attempt to establish a new incomes policy through the *Konzertierte Aktion* procedure established in 1966-67, with participation of the SPD and the main German trade union, the DGB. In 1968 in Nuremberg, a violent demonstration took place during the SPD's 12th Congress.

historical rise of the Left – mainly the communists of the *Partito Comunista Italiano* (PCI) – and for its association with the Italian government during the 1970s.[161]

It is noteworthy that the contestation movements of the 1960s posed particular internal ideological problems to the parties of the Left. Industrial conflict reached its most intense level since the war just when the socialist and social-democratic parties had accepted the 'mixed' economy model, had embarked on the path of deradicalisation and 'deproletarisation', and were rising to power.[162] The return of working-class militancy and the various social movements revived the dispute between 'revisionists' – who believed that the era of working-class conflict had come to an end, wanted to abandon a strict class identity in favour of parties of 'the people', and embraced reformed capitalism – and 'traditionalists' – who held on to a labour class party, in line with the overarching principles of Marxist thought, in order to overcome capitalism. The revisionist view, which had dominated since the late 1950s, appeared partly challenged by the anti-capitalist stance of the new contestations as did the socialist and social-democratic parties' 'race to the centre'.[163] All in all, the revival of protest movements during the 1960s reawakened in some minds the questions of revolution, capitalism, and its alternative – and demonstrated to all that class conflict was not over.

The pressures raised by protest movements also reached far beyond the European Left. The call for more participation and autonomy, for a more radical economic and political democracy, for less centralised authority, a fairer distribution of wealth and profits, and more emancipatory social rights, could not be completely ignored by European political elites. The protestors challenged the foundations of Western representative democracy, and hence ran counter to the principles of all

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[161]After the contestations of the *autumno caldo*, the Italian unions decided to endorse the factory councils (elected by all workers irrespective of union membership). These factory councils, unlike the unions, were not split on political lines and encouraged a unitary structure at the shop-floor level. According to Sassoon, this led to a dissociation of trade unions from formal party politics and contributed to open the way to the 'compromesso storico' national alliance of the 1970s between the DC and PCI. Sassoon, *One Hundred Years of Socialism*, 1996, 371.

[162] See chapter 1 of this work. In France and Italy, the two major communist parties of Western Europe – the PCF and PCI – were still rooted in the working class. However, the centralist structures of these parties were also challenged by some of the workers and students claims against centralised and hierarchical authorities.

[163] For an overview of the revisionist/traditionalist dispute in European labour parties, see Sassoon, *One Hundred Years of Socialism*, 1996 chapter 10. However, as noted by Sassoon, "an entirely opposite reading of the strikes can be given: the revival of working-class militancy can be seen as evidence that the workers were eager to obtain more of the fruits of capitalism. A strike seeks a modification of the distribution of the surplus produced, not the abolition of the system which produces it in the first place." Sassoon, 364.

European political parties, left and right alike. They challenged the very underpinnings of the post-war compromise. The contestation was also, in some ways, a contestation of the paternalistic, conservative and patriarchal nature of the (welfare) state. For Silei, the 1960s saw the rise and fall of the myth of the welfare state: "*Il welfare state risultava ormai troppo gradualista, addirittura una sorta di strumento di inaccettabile controllo sociale, alla stregua delle politiche sociali attuate in passato da governi reazionari.*" [164] In order to reassert their authority, the different constituents of the post-war state – parties, governments, trade unions, etc. – needed to meet some of the new demands. The protests, combined with the signs of economic slowdown mentioned earlier (tight labour markets, commodity price hikes, inflation, profit squeeze, productivity slowdown and instability in the international financial system), raised the question of the viability of the political economy of advanced western capitalism. Throughout the 1970s, the search for stabilisation, for an alternative 'social contract' and a new economic model of development thus became recurrent themes in political discourse both at national, and as I will show in the following chapters, European level.[165]

The events of the late 1960s and the destabilization of the 'golden age' led Western European governments to engage in three types of response. First, a steady increase in state and welfare expenditure took place throughout the 1970s. Second, new social and workers' rights were implemented, as for instance the May 1970 *Statuto dei Lavoratori* in Italy, which enshrined important modifications of labour law regarding working conditions and workers' representation in firms. [166] Third, and

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[164]Silei, *Welfare State E Socialdemocrazia*, 2000, 222. This interpretation should be nuanced however, as the most radical elements of the student and worker protests may have been contesting welfare states as instruments of compromise with capitalism but most asked for more social rights.

[165] Some authors argue that the persistence and relative success of the communist counter-model in the Soviet Union, East Europe and China contributed to feed reflections about the desirability of public ownership and centralised planning during the late 1960s and 1970s. For instance Glyn, *Capitalism Unleashed* Chapter 1. As Glynne argues on pp.15-16, "Although the communist system was bitterly attacked by much of the New Left in the OECD countries for its undemocratic nature, it still appeared to demonstrate that public ownership and centralized planning could work. Growth per head of the population was respectable in the Soviet Union over the period 1960–73—3.4% per year as compared to 4.4% per year in Europe and only 3.0% growth in the USA. Indeed, with democratic setting of priorities, and active worker involvement in enterprise operation, why should a planned economy not work better than in 'actually existing socialism' (not to mention actually existing capitalism)?"

[166] For a useful summary of the Italian workers' struggle between 1968 and 1973, and its consequences for Italian labour law, see Guido Crainz, *Il Paese Mancato : Dal Miracolo Economico Agli Anni Ottanta* (Donzelli, 2003), 321–62; Lorenzo Alba, "Il 'punto Di Flesso': Lotte Operaie E Contrattazione Dal 1968 Al 1973" (Università degli Studi di Firenze, 2010). See also more generally Maurizio Ferrera, *Il Welfare State in Italia: Sviluppo E Crisi in Prospettiva Comparata*, Studi E Ricerche 192 (Bologna: Il mulino, 1984), 217.

more innovative, the 1970s saw several attempts across Europe, to 'democratise the economy'. Economic democratization was understood in different ways, from the implementation of 'neo-corporatist' structures of collective bargaining (as in Italy during the 1970s), to plans for workers' access to information and participation in decisions at plant and company level, plans for workers' co-ownership of companies, or in other cases economic planning and wide nationalisations of key economic sectors. Plans for economic democratisation were often coupled with incomes policy and other mechanisms of wage constraint. In part, this was because of the strong responses of the workers against attempts at wage constraint during the 1960s.[167] Economic democratisation thus became the counterpart of wage moderation. Germany (through an extension of *Mitbestimmung* co-determination outside the coal and steel sectors), Sweden (through the creation of wage-earner funds and employees' co-determination), the UK (with planning agreements) and France (with extensive nationalisations) all attempted to apply some form of economic democratisation during the 1970s and early 1980s (in the case of France).[168]

3. The 'European turn' of the institutional Left

During the years that followed the end of WWII, in a context of emerging Cold War tensions, early plans for European integration created divisions within the European Left. Since the United States supported European economic and political integration with the aim of excluding the communist regimes, Moscow and the communist forces of Western European countries could only condemn those projects which aimed at rallying Western Europe to the Western capitalist camp. As for the socialist and social-democratic parties, allegedly seeking a third way between unbridled capitalism

[167] During the 1960s, European governments tried in various ways to contain wage and inflation pressures. In the second half of the 1960s for instance, the French government sought to draw the unions into a voluntary incomes policy. In the UK, a statutory freeze on wages and prices was in effect from July 1966 through June 1967. The Netherlands operated legal price controls from 1961 through 1966. These policies were not very successful and triggered increasing discontent and tensions towards the late 1960s. Therefore, during the 1970s, as I will show in the next chapters, ideas of European incomes policy were systematically combined with EC proposals of democratisation of the economy.

[168] See Glyn, *Capitalism Unleashed*, 18 and following. In the cases of Sweden and Germany, these efforts for economic democratisation bore fruits and were enacted through legislation druing the 1970s. In Britain, France and Italy, among others, industrial democracy remained a demand put forward by a minority. In Belgium and France, some trade unions and parties of the Left endorsed the principle of autogestion, but it remained vague and little efforts were made to implement it. The question of economic democratization will be developed in the following chapters of this work, especially in chapter six.

and authoritarian communism, they remained cautious, or even hostile towards the different projects of European integration throughout the 1950s, but gradually granted their support to the EC. By the end of the 1960s, the main forces of the Western European Left – the parties and trade unions – adopted a new attitude to the EC. Not only did they recognise and support the Community, they started to organise at Community level in order to influence its direction. As I show below, socialist and social-democratic parties made the first real attempt to coordinate their European policies. Communist parties started to open up to the EC, socialist and communist trade unions organised increasingly at Community level. The idea of an alliance of the Left to reform the EC even started to gain currency.

Transnational coordination of socialist and social-democratic parties

As early as the end of the 1950s, the main socialist and social-democratic parties of the EC member states had adopted a favourable position towards the ongoing process of European integration.

Despite some internal dissidence, the French socialists of the SFIO officially supported every project of European unity during the post-war years, from the Council of Europe to the EC; a socialist-led government negotiated and signed the treaties of Rome. Guy Mollet, the leader of the SFIO until 1969, was a convinced pro-European, a member of the *Comité d'Action pour les Etats-Unis d'Europe* (CAEUE), and he played an important part in getting the Rome treaty through in France. Important socialist personalities like Robert Marjolin and Emile Noël also played key roles in nascent European institutions. Until the turn of the 1970s however, the SFIO was rather isolated on the Left concerning European policy, as a large part of the French left was hostile to the EC (in particular the EEC 'common market'). Pierre Mendès France, the charismatic leader of the French radicals, notably campaigned against the Treaty of Rome in 1957, viewing it as a technocratic and liberal project that would be noxious to the French economy. In the *Parti socialiste Autonome* (PSA) and later the *Parti Socialist Unifié* (PSU), Michel Rocard would argue that the EEC consecrated the realm of capitalism and served American business interests against

workers' interests, while Jean-Pierre Chevènement's *Centre d'études, de recherches et d'éducation socialiste* (CERES) was openly hostile.[169]

In West Germany, the social democrats of the SPD converted to European integration during the 1950s. At first, its leader Kurt Schumacher was vehemently opposed to the ECSC and warned against the risks of the four European 'Cs': capitalism, conservatism, clericalism and cartels. After voting against the ECSC and the EDC, however, under Erich Ollenhauer's leadership the party turned to support the creation of the EEC and West Germany's commitment to more integration, which it saw as a means of superseding nationalism and preserving prosperity.[170] In much the same way, the Italian PSI converted to European integration during the 1950s. The Belgian *Parti socialiste belge* (PSB), the Dutch *Partij van de Arbeid* (PvdA) and the Luxemburghese *Lëtzebuerger Sozialistesch Aarbechterpartei* (LSAP), for their part, were in favour of postwar European unity projects from the outset.[171] By the end of the 1960s, although some parties of the socialist family outside the Community member states – like the British Labour Party – were displaying hostile positions towards the EC, within the Community all socialist and social-democratic countries were in favour.[172] As a matter of fact, on 23 March 1967, the socialist parties of the EC organized a public event in Paris to celebrate the tenth anniversary of the signature of the treaties of Rome; it was attended by important figures like Mollet and Levi Sandri.[173]

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[169] On the composition of the French Left since 1945 and the different currents' attitude to European integration projects, see Gérard Bossuat, "Les coailistes français et l'unité européenne : tendances de fond ou ruptures", in Marie-Thérèse Bitsch, ed., *Le Couple France-Allemagne et Les Institutions Européennes: Une Postérité Pour Le Plan Schuman?* (Bruxelles: Etablissements Emile Bruylant, 2001), 325–51.Robert Frank, "La Gauche et l'Europe," in *Histoire Des Gauches En France*, ed. Jean-Jacques Becker and Gilles Candar, La Découverte, vol. 2 (Paris, 2005), 452–72.; see also the contributions from Wolfried Loth and Denis Lefebvre in Richard T. Griffiths, ed., *Socialist Parties and the Question of Europe in the 1950's*, Contributions to the History of Labour and Society 4 (Leiden ; New York: E.J. Brill, 1993).

[170] See Kevin Featherstone, *Socialist Parties and European Integration: A Comparative History* (Manchester: Manchester University Press, 1988), 140–50; Brian Shaev, "Estrangement and Reconciliation: French Socialists, German Social Democrats and the Origins of European Integration, 1948-1957," University of Pittsburgh ETD, September 25, 2014, http://d-scholarship.pitt.edu/22585/. See also for a general overview of the SPD's European policy William E. Paterson, *The SPD and European Integration* (Farnborough : Lexington, Mass: Saxon House; Lexington Books, 1974).

[171] See Featherstone, *Socialist Parties and European Integration*, 1988; Stephen Padgett, *A History of Social Democracy in Postwar Europe* (London ; New York: Longman, 1991); see also the contributions of Ennio di Nolfo, Wendy Asbeek Brusse, Thierry Mommens and Luc Minten, in Griffiths, *Socialist Parties and the Question of Europe in the 1950's*.

[172] The British Labour Party's position towards European integration was particularly tumultuous during the 1960s and 1970s. It will be explained in detail in chapter 3.

[173] Jules Moch, "La Première Décennie Du Marché Commun," *La Revue Socialiste*, no. 204 (Juin 1967).

Although their positions were to support European cooperation and integration broadly, the socialist parties of the six countries that had founded the EC did not delineate, at least until the late 1960s, a clear *'European policy'*. They generally criticized de Gaulle's intergovernmentalist vision of a *'Europe des patries'* and his obstructionism of the EC; they favoured an enlargement of the Community and, in particular, supported British entry; and they called for a broad democratisation of the EEC, in part by making the EP more accountable. Beyond these broad positions however, none of the parties had succeeded in turning its European commitment into a comprehensive and coherent European policy programme. Sassoon's severe statement that Europeanism occupied "the foreign policy void of the Left" was not inaccurate. There was no significant debate on the EC among the socialist parties of the Community until the very end of the 1960s.[174]

EC-member socialist and social-democratic parties seemed to have a hard time articulating their Europeanism and their ideology in one decisive project for a social(ist) Europe. The socialists who were engaged for European federalism, and who founded the Movement for the Socialist United States of Europe in 1946 in Montrouge, quickly chose to prioritise the fight for (federal) Europe before their fight for a social(ist) Europe – as reflected by their decision to change their name to the Socialist Movement for the United States of Europe (MSEUE) in 1947. After the success of the 1948 Hague summit, the movement decided to join the Christian-democrat-led European Movement, further relinquishing the socialist strand of their struggle.[175] These parties' growing support for the EC inevitably raised the question of the compatibility between their 'Europeanism' and their socialist doctrine. Indeed, supporting the EC meant accepting a form of European integration that was both

[174] "Had it been more than a rhetorical device to fill the void, Sassoon argues, these parties might have tried to devise and fight for a comprehensive plan of European reorganisation, or might have had to ask themselves the key question: 'What should the European Community achieve?'. In reality, there was no significant debate at all on the European Community among the socialist parties of the EEC." Sassoon, *One Hundred Years of Socialism*, 1996, 338.

[175] The change of name occurred after the dispute between the advocates of a 'progressive' approach and those of a more left-leaning 'socialist' project was settled to the detriment of the latter. The MSEUE later became the *Mouvement démocrate et socialiste pour les Etats-Unis d'Europe* (MDSEUE), and endures today as the European Left movement. See Bossuat, 'Les socialistes français et l'unité européenne', *op. cit.* p.331. In 1955, when Mollet obtain the support of the SFIO to join to the CAEUE, Marceau Pivert, head of the MSEUE, asserted: "J'ai le regret de constater que Jean Monnet a réalisé ce que l'Internationale socialiste a été incapable de faire. Je crains que cette operation empêche la réalisation d'une Europe socialiste et que nous soyons le jouet du capitalisme qui realise sa restauration." In Denis Lefebvre, 'Les socialistes français et l'Europe (1954-1957)', *Cahiers et revue de l'OURS*, mars-avril 1989, p.31.

capitalist-liberal and anchored to the US. This contradiction remained unaddressed by socialist and social-democratic parties for most of the 1950s and 1960s and contributed to their lack of coherent European policy. This, in turn, created an inability to significantly influence European policy making.

During the second half of the 1960s, however, some changes took place in the political landscapes of social-democratic parties of the two main EC countries – France and West Germany – that led them to further define their European policy. In West Germany, the SPD won the elections in 1969. The new Chancellor Willy Brandt's foreign policy priority was to implement the so-called *Ostpolitik,* which pioneered Western Europe's opening towards the Eastern bloc. [176] (Western) European integration was not absent from the SPD's agenda however, especially after it was reminded by CDU MPs that *Westpolitik* should not be neglected.[177] The SPD's experience of power pushed the party to reflect upon its European policy and to try and define it more precisely and to advocate, as I will explain below, the development of a 'social' Europe. Meanwhile in France, between 1965 and 1971 the French Left underwent important transformations that led to the previously mentioned consolidation of the new PS around François Mitterrand's leadership. This reconfiguration of the Left occasioned a repositioning on European questions. In a first phase, between 1965 and 1968, it led the main currents of the non-communist Left, gathering together around the *Fédération de la gauche démocratique et socialiste* (FGDS), to broadly agree on their support for European integration.[178] It would later lead, as I will show in the next chapter, to a more articulate and critical attitude to European questions within the Left's *Programme commun*.

At the same time, socialist and social-democratic parties slowly started to coordinate their policies more closely. Throughout the 1940s, 1950s and 1960s,

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[176] In West Germany, from 1967 onwards *Ostpolitik* was slowly opening the country to the east by establishing diplomatic ties with the GDR and with the USSR. See for instance Stone, *Goodbye to All That?*, 94.

[177] HAEU, GSPE-051-FR-B, pp. 36-46: 'Document d'information. Controverse sur la politique du gouvernement allemand à l'égard de l'Est et sur sa politique européenne', 23 June 1970. Following critiques from the opposition, who accused the SPD-led government of neglecting European integration in favour of Ostpolitik, the Bundestag deputy and MEP Walter Behrendt replied on behalf of the SPD in the Bundestag on 17 June 1970 by formulating a number of demands in the field of European policy. This will be further developed later in this chapter.

[178] In September 1965, the creation of the FGDS saw an alliance of the SFIO, the Radicals, UDSR, and clubs like the CIR and the Cercles Jean Jaurès. According to Bossuat, their common charter constituted, "un moment de renforcement de l'esprit européen de la gauche française". Bossuat, 'Les socialistes français et l'unité européenne', *op. cit.* p.339.

Western European socialists had started to meet and cooperate within several platforms and through the constitution of transnational networks.[179] At first, these included pro-European movements such as the aforementioned MSEUE.[180] They also comprised groups created within the nascent European organisations; the Socialist Intergroup at the Consultative Assembly of the Council of Europe (CoE); and the Socialist Group of the Common Assembly of the ECSC, which later became the Socialist Group of the European Parliament of the EC (SGEP). In 1957, the six socialist parties of the ECSC/EEC also decided to create a Liaison Bureau for the Socialist Parties of the EC (SPEC), based in Luxembourg, to encourage closer and more permanent cooperation. The aim of the Liaison Bureau was to promote the exchange of information between its socialist and social-democratic members so as to seek common positions on EC policy. It would also organise biannual congresses. Moreover, since its creation in 1951, the worldwide Socialist International (SI) played an important part in the transnational networking of these parties. It worked in cooperation with the SGEP and the Liaison Bureau.[181]

Until the end of the 1960s however, efforts to increase party-coordination had proved largely unsuccessful. At the beginning of the 1960s, the SPEC had expressed an increasing will for cooperation and tried to draft a 'Common Programme', but without much success.[182] Their efforts met with several obstacles. First, there was no consensus within the Liaison Bureau about what a truly socialist European policy

[179] See Simon Hix and Urs Lesse, *Shaping a Vision: A History of the Party of European Socialists, 1957-2002* (Bruxelles: Parti Socialiste Européen, 2002), 15.Gérard Bossuat, "Les euro-socialistes de la SFIO : Réseaux et influence", in Georges Saunier, "François Mitterrand, Un Projet Socialiste Pour l'Europe ? L'équipe Européenne de François Mitterrand, 1981-1984," in *Inventer l'Europe: Histoire Nouvelle Des Groupes D'influence et Des Acteurs de L'unité Européenne*, ed. Gérard Bossuat (Bruxelles ; New York: P. Lang, 2003), 409–29; D. L. Hanley, *Beyond the Nation State: Parties in the Era of European Integration* (Basingstoke ; New York: Palgrave Macmillan, 2008), 62–64.

[180] The movement was constituted of national committees formed generally of socialist party members, trade unionists and former resistants. It included the very active pro-European section of the UK's Labour Party section called 'Keep Left' (among which Crossman, Shawcross, Foot) and organised Summits including exile members of socialist parties of the Southern and Eastern countries.

[181] The SI was reestablished after the war at a Frankfurt Congress in July 1951 and included socialist parties from Western, Central and Eastern Europe, as well as Asia. In January 1953, the SI created a European committee among which were its member parties of France, West Germany, the UK, Holland, and Austria to discuss more specifically European issues. For a thourough reconstruction of the socialist and social-democratic parties' transnational networks, see Christian Salm, *Transnational Socialist Networks in the 1970s: European Community Development Aid and Southern Enlargement* (Basingstoke: Palgrave Macmillan, 2016) chapter two. On the role of British and Scandinavian parties on the intensification of transnational party cooperation, see Steinnes, "The European Turn and 'Social Europe': Northern European Social Democracy 1950-85."

[182] Hix and Lesse, *Shaping a Vision*, 13–16.

should be.[183] Moreover, decisions in the Liaison Bureau had to be taken unanimously, which led to the adoption of resolutions that generally expressed little more than a lowest common denominator position. Besides, the decisions and resolutions of the Bureau were non-binding for its member parties. Its financial resources were also scant. Moreover, De Gaulle's obstruction of the EC during the second part of the 1960s further contributed to freezing party cooperation. The 1966 congress in Berlin highlighted disagreements between the member parties, after which no congress would be held until 1971.[184]

At the turn of the 1970s renewed efforts were made by a group of leading socialist and social-democratic personalities from different countries, who called for enhanced structures of cooperation among the SPEC, and for better coordination of their European policies. This project was pushed forward, primarily after the mid-1960s, by members of the Dutch PvdA who had consistently advocated for improved party cooperation within the EP for many years. They advocated empowerment of the EP, which they saw as an essential step towards the development of European parties, and they insisted that the Liaison Bureau and the SGEP should jointly adopt common positions that would be binding for the member parties, the MEPs and the Commissioners. The aim was to enable the socialist parties to acquire more weight in the EC policy- and decision-making process and hence to strengthen social democratic influence in Europe.[185]

Following this pressure, a number of initiatives were taken so as to improve party cooperation at EC level. In April 1969, anticipating the possible resignation of de Gaulle, the Liaison Bureau held a special meeting in Brussels with the members of the Bureau of the SGEP, the socialist members of the European Commission, and some leading national party figures. They agreed that democratisation of the EC and

[183] The members of the Liaison Bureau, for instance, disagreed on whether and to what extent the EEC should intervene directly in the economy of its member states – the SFIO favoured high interventionism whereas other members ruled it out. According to Bossuat, those disagreements raised tensions between the SPEC in 1966, and contributed to the freezing of cooperation thereafter. Gérard Bossuat, "Les Euro-Socialistes de La SFIO, Réseaux et Influence," in *Inventer l'Europe. Histoire Nouvelle Des Groupes D'influence et Des Acteurs de L'unité Européenne*, Peter Lang, 2003, 420.

[184] On the internal limitations of the Liaison Bureau, see in particular Salm, *Transnational Socialist Networks in the 1970s*, 2016, chap. 1; Simon Lightfoot, *Europeanizing Social Democracy?: The Rise of the Party of European Socialists*, Routledge Advances in European Politics 31 (Abingdo: Routledge, 2005), 29; James May, "Co-operation between Socialist Parties", in William E. Paterson and Alastair H. Thomas, eds., *Social Democratic Parties in Western Europe* (London: Croom Helm, 1977), 408–409 and 414.

[185] See Wendy A. Brusse, "The Dutch Socialist Party", in Griffiths, *Socialist Parties and the Question of Europe in the 1950's*, 106–34.

enhanced structures for party cooperation were necessary. In May 1969, a group of leading social democrats – mostly from EC parties but also including UK Labour Party representatives – met under the chairmanship of PvdA member and Member of the European Parliament (MEP) Henk Vredeling.[186] They formed a 'European Political Action Group' to work on the creation of a European 'socialist' or 'progressive' party aligning all socialist and non-socialist progressive forces under a common agenda.[187] Vredeling's initiative was broadly shared by influential socialist figures within the European Commission, such as Dutch Commissioner for Agriculture Sicco Mansholt (PvdA) and Italian Commissioner for Social Affairs Lionello Levi-Sandri (PSI).[188]

The idea of a supranational European party also spread to the Liaison Bureau, but was met with reticence by some of its members. In October 1969 at a meeting of the SGEP in Amalfi, the president of the Liaison Bureau, Lucien Radoux, and the chairman of the SGEP, Francis Vals, proposed to reform the Liaison Bureau so as to improve its efficiency. The proposal took up the idea of a European party with binding decisions for member parties. These proposals received a lukewarm welcome from the national party representatives within the Liaison Bureau. The SPD in particular was reluctant, now that it was in government, to transfer authority to a European party organisation and thus constrain its manoeuvring space in the Council

[186] Hendrikus 'Henk' Vredeling (20 November 1924 - 27 October 2007) was a Dutch politician who played an active role in promoting EC intervention in the social field throughout the 1960s-1970s, and in promoting the creation of a federation of European social-democratic parties. He had close ties to Dutch trade union circles. He was first elected to the Dutch House of Representatives for the Dutch Labour Party (PvdA) in 1956. He then became a member of the EP (1958-1973), served as Minister of Defence in the Dutch government (1973-1977), then as a European Commissioner under the Roy Jenkins Commission (1977-1981). As Vice-President of the Commission and Commissioner of Social Affairs and Employment (DGV), Vredeling promoted common action to fight unemployment (through work redistribution) and fought for the adoption of the so-called 'Vredeling Directive' on information and consultation of workers in multinational companies (see chapter 6).

[187] HAEU, GSPE-049-FR, pp. 177-182, 'Procès-verbal de la réunion du 26 février 1969'; IISH, CSPEC-16, "Déclaration du Groupe d'Action Politique Européenne", Bemelen, 18-19 October 1969. During a conference held in Bemelen by members of socialist parties of Western Europe, the decision was taken to create a Groupe d'Action Politique Européenne, whose task would be to submit proposals to a congress to be held publically in Spring 1970, aimed at drafting a European political programme to democratise political, economic and cultural life in Europe. Elections of the EP and the creation of a "European Progressive Party" were its priorities. The group considered as its potential allies the trade unions, socialist parties, progressive parties, or cultural and political groupings that sought strengthening and revival of democracy in all Europe.

[188] Steinnes, "The European Turn and 'Social Europe': Northern European Social Democracy 1950-85," 377.

of Ministers. As a result of these contrasting positions, no substantial decision was taken at the time.[189]

Nonetheless, despite the absence of tangible immediate results, from 1969 onwards, in part encouraged by de Gaulle's resignation, by the new impetus given to European integration in December 1969 at The Hague Summit, and the prospects for direct elections of the EP and transnational cooperation improved. Throughout the 1970s, socialist and social-democratic parties made continued efforts to render supranational decision-making more efficient and binding, and to enhance their influence on EC policy-making. As Christian Salm argued, the 1970s would see a strengthening of both formal and informal transnational cooperation among these parties.[190] The enhanced cooperation, in turn, allowed socialist and social-democratic parties to hold more coherent and incisive stances on European policy issues, including social policy. The SGEP was one of the central forums of cooperation and discussion, where the positions of the members of the different parties were confronted and where consensus was sought. As I will show in later chapters, during the 1970s, the SGEP included several relatively influential figures who, like Henk Vredeling, were strongly committed to increasing transnational party coordination, socialist influence within the EC, and in particular to defending the idea of a 'social' Europe.

Reform Communism and the EC

By the late 1960s, the two main communist forces of Western Europe, the Italian PCI and the French PCF, adopted a new attitude towards European integration and towards the EC. This change of attitude allowed them to potentially start influencing, although perhaps marginally, European policy-making.

Both French and Italian Communists had initially rejected altogether the Marshall Plan, the creation of the OECE, the CoE, the ECSC, the CED and the EEC. In their view, these projects of European unity promoted a capitalist, bourgeois and colonial Europe that served European and American monopolistic interests, divided the continent by forming an exclusive Western, Atlanticist and militaristic anti-Soviet European bloc, and fostered the danger of a fascist revival by supporting Germany's

[189] Hix and Lesse, *Shaping a Vision*, 17–19.
[190] Salm, *Transnational Socialist Networks in the 1970s*, 2016, chap. 1.

reassertion. In contrast, they envisioned a different kind of European unity, which would promote a continent-wide democratic Europe of the workers and cooperate with the Communist bloc, while encouraging demilitarisation, North-South dialogue, and recognition of the GDR.[191] Although the idea of a federal Europe was not completely alien to Western European communism, it was generally subordinated to the struggle for socialism. For example, the PCI, building on Marxist-Leninist theories, believed that single European countries first had to overcome capitalism individually, before regional economic integration could be envisaged.[192]

This started to change at the end of the 1960s, as several factors converged to encourage Western European communists to reposition themselves within their regional sphere and to reconsider their stance on European integration. The unpicking of the bipolar world through the process of *détente* contributed to toning down the political line that had separated pro-Moscow European parties from the rest of the political hemisphere. The 1968 Prague Spring, although unsuccessful, highlighted the impulse for reform within Eastern European communism. In Italy, in the early 1960s Palmiro Togliatti's leadership of the PCI started to seek some degree of disengagement from Moscow by setting Italian communism on the path of 'reform communism'. It would later evolve, under Enrico Berliguer's leadership during the 1970s, into 'Eurocommunism'. The SPD's *Ostpolitik* and its role in easing the East-West dichotomy had a major impact on convincing communists – especially the PCI – to open dialogue with other political forces of the European Left. Likewise, mounting tensions between Europe and the US toned down their conviction that any form of Western European integration was bound to serve American interests and nurture the

[191] Emilia Robin Hivert, "Anti-Européens et Euroconstructifs : Les Communistes Français et l'Europe (1945-1979)," *Cahiers de l'IRICE* 4 (2009): 49–67; Maggiorani and Ferrari, *L'Europa Da Togliatti a Berlinguer*; Maggiorani, *L'Europa Degli Altri*; Marc Lazar, *Maisons Rouges: Les Partis Communistes Français et Italien de La Libération À Nos Jours* (Paris: Aubier, 1992); Marco Di Maggio, *Alla Ricerca Della Terza via Al Socialismo: I PC Italiano E Francese Nella Crisi Del Comunismo (1964-1984)* (Napoli: Edizioni scientifiche italiane, 2014).

[192] Maggiorani and Ferrari, *L'Europa Da Togliatti a Berlinguer*, 16. As mentioned previously, Communists and federalists had only had a brief moment of communion during the war, within some circles of the Resistance. Altiero Spinelli, who remained a figurehead of European federalism throughout the second half of the 20th century, could be described as a marginal communist, and was not affiliated to the PCI until late 1970s. In their long introduction to *L'Europa da Togliatti a Berliguer*, Maggiorani and Ferrari illustrate the evolution of the PCI towards European unity projects, through various stages: from rejection in the 1940s-1950s; to an early repositioning in the late 1950s when the ideas emerged of transformation of the EC from within and of an alliance of all European progressive forces for another Europe ; to a clear commitment, from 1972-3 to use the EC as a test case of their new internationalism that was emerging as part of a complete reassertion of the party as a "third way" to socialism. 'Eurocommunism' would be part of this reassertion and repositioning.

confinement of the communist world.[193]

The change was particularly remarkable for the Italian PCI. Between the 1940s and the late 1960s, it moved gradually from firm rejection to embracing of the EC. Since the late 1950s, some members of the PCI had developed the idea of 'another Europe' (*"l'atra Europa"*) that could emerge from an alliance with all socialist, social-democratic and other 'progressive' forces in Europe. This idea was taken up in the direction of the party. In 1959 the head of the party, Palmiro Togliatti, advocated the formation of a "European Left" including all forces that strove for a profound reform of economic structures in Europe.[194] Meanwhile, some party members like Giorgio Amendola and Giorgio Napolitano, leading reformists and Europeanists of the PCI, and economists of the *Centro studi di politica economica* (CeSPE), started to advocate a new opening towards the EC. The party slowly started to believe that the now established EC could and should be transformed and democratised from within. By the early 1970s, the PCI came to see the EC as a potential vehicle for social, economic and political change in Europe, for a new détente, for new relations with the Third World. This was a remarkable change, as for the first time it opened the possibility of communist participation in the EC polity.[195]

On 11 March 1969, the first seven Italian communist deputies, led by Amendola, joined the EP.[196] This was a landmark decision, as it marked the first participation of communist representatives in a Western European organisation. It was also the first time that communists were formally allowed to participate in EC policy-

[193] Note that the PCI acted secretly as the chief mediator in the process of *Ostpolitik*. In 1967, Sergio Segre, foreign policy adviser to the then PCI leader, Luigi Longo, acted as intermediary between the SPD and East Germany. The PCI thus established useful contacts with the most powerful social-democratic party of the time and succeeded in persuading the SPD to lift the ban on the West German Communist Party (though on condition that the name be changed from KPD, *Kommunistische Partei Deutschlands*, to DKP, *Deutsche Kommunistische Partei*). Sassoon, *One Hundred Years of Socialism*, 1996, 336.

[194] Togliatti explained that of those forces, singling-out those that more closely represented the working class would mean sacrificing the possibility of realising true political change in Europe. Palmiro Togliatti, "Per Una Sisnistra Europea," *Rinascità*, March 1959.

[195] For a thorough analysis of the evolution of the PCI towards acceptance of the EC before 1970, see Maggiorani and Ferrari, *L'Europa Da Togliatti a Berlinguer*; Maggiorani, *L'Europa Degli Altri*. See also Antonio Varsori, "The Italian Communist Party's European Choice.," in *Les Partis Politiques Européens Face Aux Premières Élections Directes Du Parlement Européen | European Political Parties and the First Direct Elections to the European Parliament* (Nomos Verlagsgesellschaft mbH & Co. KG, 2015), 109–18.

[196] The delegation led by Giorgio Amendola included Giovanni Bertoli, Francesco d'Angelosante, Nilde Jotti, Silvio Leonardi, Agide Samaritani, and Mauro Scoccimarro. Samaritani was actually replaced by Nicola Cipolla. This group played an important part in shaping the PCI's European policy in collaboration with the CeSPE throughout the early 1970s. Maggiorani and Ferrari, *L'Europa Da Togliatti a Berlinguer*, 43.

making.[197] In his inaugural speech to the EP, Amendola insisted that the communist MEPs would strive for a revision of the Treaty of Rome, for democratisation of European institutions (especially its representative organs, the EP and ESC), and to turn the EC into a useful tool to achieve *détente* and to affirm European autonomy. This was to be achieved through cohesive action of the European Left, stretching from communist to social-democratic parties. Furthermore, the new MEPs would seek to reform the common policies of the EC, starting with the CAP.[198]

At the time, the French communist party did not experience the same conversion to European integration and to the EC as its Italian sister party. It continued to oppose any extension of the Community's competences – including direct elections and enhanced powers for the EP. Its views coincided more with those of the Labour Party in the UK than those of the PCI. However, from the end of the 1960s, under the influence of the PCI and the French socialists, with whom it sought to seal an alliance, the PCF gradually changed its position towards the EC. Thereafter it accepted the Community as an established fact and stopped calling for France's withdrawal.

European trade unions strengthening their presence at EC level

At the end of the 1960s, the emergence of a broad, although still embryonic, consensus in favour of EC-led European integration among the forces of the Left also extended to European trade unions.

Until then, European trade unions had been divided on the issue of European integration. Rising Cold War tensions at the end of the 1940s resulted in a partition of European trade unions. On 7 December 1949, the non-communist International Confederation of Free Trade Unions (ICFTU) was created following a split within the

[197] As I explained in the first chapter of this work, Communists had persistently been excluded from EC institutions and from European movements, such as Monnet's CAEUE.

[198] Giorgio Amendola, "Speech to the European Parliament, 12 March 1969", in European Parliament, ed., *I Comunisti Al Parlamento Europeo: Interventi Dei Parlamentari Italiani Del Gruppo Comunista E Apparentati Nelle Sedute Del PE ; Bollettino D'informazione*, EDC Collection (Lussemburgo: Segretariato del Gruppo comunista e apparentati, 1977). See also on the topic Donald Sassoon, "The Italian Communist Party's European Strategy," *The Political Quarterly* 47, no. 3 (July 1, 1976): 253–75, https://doi.org/10.1111/j.1467-923X.1976.tb02185.x; Donald Sassoon and Palmiro Togliatti, "The Strategy of the Italian Communist Party: From the Resistance to the Historic Compromise," *Science and Society* 47, no. 1 (1983): 112–115; Pierre Hassner, *Eurocommunism and Universal Reconciliation: The International Dimensions of Golden Dream of the PCI (1975-1979)*, Occasional Papers 28 (Bologna: Johns Hopkins University Press, 1980), 223.

communist-led World Federation of Trade Unions (WFTU). This schism arose in part because of conflicting positions on early projects of European reconstruction and integration. From 1947, non-communist and communist unions within the WFTU differed in their attitude to the Marshall Plan. The former, led by the American Federation of Labour, supported the Plan, whereas the latter followed Moscow in condemning the project. Thereafter, the anti-communist ICFTU supported the different projects of European integration, from the ECSC to the EEC, and encouraged the coordination of European trade unions' positions regarding the EC. In 1952, a coordination committee of the coal and steel trade unions that were members of the ICFTU was created by the ECSC. In 1958, the ICFTU created a *Secrétariat Syndical Européen* (SSE), including all its member unions from the six EC countries. At the same time, the International Federation of Christian Trade Unions (IFCTU), which had also supported European integration projects since the Marshall Plan, created the European Organisation-IFCTU (EO-IFCTU) with the same design.[199]

Although at first non-communist trade unions generally showed more 'pro-European' than European socialist and social-democratic parties, they encountered difficulties in their interaction with EC institutions throughout the late 1950s and the 1960s.[200] This led those unions in the SSE and the EO-IFCTU to affirm a more critical attitude towards European integration, and to try to more strongly assert their influence over the supranational organisations. As mentioned in the previous chapter, European trade unions had been disappointed by the Rome treaty, which granted less weight to trade union representatives in the institutions of the EC compared to those of the ECSC. Despite this bad start, from 1959 European trade unions (mainly the SSE) managed to establish an informal consultation procedure with the European Commission, which proved more open than the Council to letting trade unions play an increased role in the EC's policy-making. Several consultative, bipartite sectorial

[199] For useful overviews of the transnational organisations of European trade unions, see for instance Gobin, *L'Europe Syndicale*; Andrea Ciampani and Emilio Gabaglio, *L'Europa Sociale E La Confederazione Europea Dei Sindacati*, Fonti E Studi Sul Federalismo E Sull'integrazione Europea (Bologna: Il mulino, 2010); Debunne, *Les Syndicats et l'Europe*.

[200] Gobin shows that the ETUC (the main confederation of trade unions at European level), remained consistently attached, since its creation, to the idea European integration. Its 'pro-European' stance had two main sources. On one hand, it derived from a generally shared European idealism – union leaders were receptive to the idea that supranational integration would help prevent wars and preserve democracies in Europe. On the other hand, it was an expression of political pragmatism – if economic and political power was transferred to supranational entities, trade unions needed to exert influence at this new level. See Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 367–76.

committees were created in the early 1960s, in particular under the auspices of Commissioner for Social Affairs Levi Sandri.

However, de Gaulle's European policy and the crises that affected the EC during the 1960s undermined this rapprochement between trade unions and the authorities of the EC. After 1963, the Council's efforts to limit the involvement of trade unions within the Commission's work on social policy resulted in a weakening of trade union representation within the EC, and the dissociation of the unions from EC policy-making.[201] Trade unions' demands to obtain a chair within the Commission, a more balanced representation within the ESC, or a representative within the European Investment Bank (EIB) were systematically rejected. Moreover, as noted earlier, EC initiatives in the social field were frozen during most of the 1960s.

This situation led trade unions to display a more critical and combative stance towards the EC. As even the informal consultation procedure had stopped, during the second half of the 1960s trade unions started to ask for a more institutionalised association with the Community's decision-making process. By the late 1960s, the SSE persistently demanded increased power for the ESC and enhanced representation of workers within this institution (opposing the compartimentalisation of interest groups favoured within the EC's functional representative organs). Until 1967, the Union of Industrial and Employers' Confederations of Europe (UNICE, the European management organisation) had avoided any meeting with trade unions owing to divisions between the different unions on the question of European policy. From the summer of 1967, the SSE succeeded in organising autonomous meetings with UNICE for the first time. From December 1967, the SSE and the EO-IFCTU managed to convince UNICE to join their claim for closer association with EC policy-making.[202]

Moreover, the end of the 1960s saw a reorganisation of trade unions at European and global level. The deconfessionalisation of the IFCTU and its evolution into the World Confederation of Labour (WCL) allowed a rapprochement with the ICFTU. In April 1969, in an effort to establish a more structured and efficient organ of coordination at EC level, the European Free Trade Union Confederation (EFTUC)

[201] Gobin, 367; Barnouin, *The European Labour Movement and European Integration*, 1986, 8 and following.

[202] Maria Eleonora Guasconi, "Les Syndicats et La Relance de La Politique Sociale Européenne," *Formation Professionnelle*, no. 32 (n.d.): 61–69; Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 376.

replaced the SSE, drawing sectorial and inter-professional unions closer together and introducing the possibility of taking binding political decisions with a two-thirds majority vote. At the same time, EFTUC and the Christian unions that were organised at European level started to collaborate more closely and to jointly demand greater association with EC decision- and policy-making.[203]

The main communist trade unions of the member countries of the EC also revised their European policy during the second half of the 1960s. Communist trade unions, in line with West and East European communist parties, had opposed early projects of European integration inaugurated by the Marshall Plan, which they generally saw as a means for European and American monopolies to exploit the resources of European (and African) countries, and to decrease social protection. During the 1960s, however, they adopted a more 'pragmatic' stance to European integration. Encouraged by the positive impact of the ECSC on the living and working conditions of the workers of the coal and steel sectors, those unions started to believe that European economic integration could be beneficial to labour, and not only to capital. They therefore decided to work to influence EC policy-making. In 1965, The Italian *Confederazione Generale Italiana del Lavoro* (CGIL) and the French *Confédération Générale du Travail* (CGT) created a permanent 'liaison office' in Brussels in order to coordinate their action and to establish dialogue with EC institutions. In 1969, it sent a representation to the EEC's Social and Economic Committee.[204]

The two communist confederations advocated democratisation of the EP and of the ESC, from which communist parties and trade unions had been excluded from the start. Indeed, as mentioned earlier, Community institutions had, *de facto,* systematically precluded contact with any kind of communist organisations or representatives. From 1966, this position slowly started to change, in part as a spillover effect of the improving relations between the leading Italian party,

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[203] Gobin, "Construction Européenne et Syndicalisme Européen. Un Aperçu de Trente-Quatre Ans D'histoire (1958-1991)."

[204] On the European policy of the CGT and CGIL, see in particular Jean-Marie Pernot, "Dedans, dehors, la dimension internationale dans le syndicalisme français" (Université de Nanterre - Paris X, 2001), https://tel.archives-ouvertes.fr/tel-00927161/document; Ilaria Del Biondo, *L'Europa Possibile : La CGT E La CGIL Di Fronte Al Processo Di Integrazione Europeo, 1957-1973* (Roma: Ediesse, 2007); Ilaria Del Biondo, "L'Europa Della CGIL. La Politica Della CGIL E Il Contrasto Con La CGT Sul Processo Di Integrazione Europea," in *Fra Mercato Comune E Globalizzazione: Le Forze Sociali Europee E La Fine Dell'età Dell'oro*, ed. Francesco Petrini, Ilaria Del Biondo, and Lorenzo Mechi (Milano: FrancoAngeli, 2010), 6–88.

Democrazia Cristiana (DC), and the *Partito Socialista Italiano* (PSI), which was close to the socialist-communist CGIL. In May 1966, the Italian CGIL secured the nomination of two of its members to join the ESC. In 1969, the European Commission officially recognised the CGT-CGIL Liaison Bureau. However, the division between the communist unions and the EFTUC-IFCTU unions continued to remain unchallenged through to the early 1970s.[205]

This increased organising effort of trade unions at EC level also reflected a new awareness of the importance of asserting more influence at a time when the customs union was being completed, and when a revival of European integration was contemplated after de Gaulle's resignation in 1969. As I will explain in the following chapters, the improved organisation and coordination efforts among European trade unions allowed for the formulation of more precise and decisive positions on European policies.

In sum, at the end of the 1960s, what could be described as a broad (and vague) *European policy consensus* emerged among most forces of the European Left, with the notorious exception of the UK Labour Party and (to some extent) the French communists. At least among the Member States of the Community, there was henceforth a pro-EEC consensus of the main parties of the Left. The 1960s saw the emergence, within communist, socialist and social-democratic parties and unions of the Community, of the idea that another kind of European integration would be possible through alliance and assertion of the European Left. This new conviction led different forces to contemplate increased coordination at a supranational level. Although progress was very slow in this regard, the late 1960s and early 1970s saw important efforts to start using the EC as a tool to implement another Europe that would be broadly in line with the progressive, socialist and democratic values of the Left; that could favour détente, demilitarisation, and a new relationship to the rest of the world; and that could serve the interests of the working (and middle) classes.

4. 1969, European *relance* and social policy

The social events of the late 1960s, combined with the changing economic and political context in Western Europe, prompted European political elites to place more

[205] Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 374.

emphasis on the social dimension of European integration. In particular, voices were raised asking for a more democratic and 'social' functioning of the EC.

To start with, the trade unions organised at European level were asking for more inclusion into Community decision- and policy-making. From May 1967, they demanded the organisation of an EC-level tripartite conference on employment, but met with resistance within the Council.[206] During that year, several organisations, including the IFCTU, the ICFTU, the Committee of Professional Agricultural Organisations (COPA) and UNICE, voiced concerns regarding their insufficient inclusion in Community decisions, and criticised the lack of action taken by the Community in the social field. Chief demands of the unions at the time were a reform of the EC treaty so as to change the ESF into a powerful tool for the establishment of a comprehensive common social policy including a far-reaching employment policy; and to implement real functional democracy, both at the interprofessional and sectorial levels, through empowerment and readjustment of the ESC. They also demanded the establishment of EC-level collective bargaining, with the aim of attaining European collective conventions. Rather than a precise programme for how to achieve a more 'social' EC/Europe, the trade unions counted primarily on institutional reform. In their view, a more 'democratic' functioning of the EC – in the sense of greater representation of organised interests within the EC's institutions – would give unions more influence on European policy-making, and would in turn open the way to implementing policies that would favour the workers. The unions hoped that the Commission would support them in this regard.

At the same time, and partly due to these pressures, the attitude of the DGV of the Commission in charge of social affairs also showed some signs of change. In a report drafted in view of the merger of the executives of the ECSC, the EEC and Euratom in December 1967, Levi Sandri called for more 'positive' action in the social field – reconciling the economic and social tasks of the Community as envisioned in the treaties. The document, entitled 'Report on the social policy of the Community' pointed out, albeit cautiously, the vast number of social areas in which the EC could

[206] The Council was divided on the claims of the trade unions. Throuthought the year 1967, the Luxemburgish and Italian ministers of Social Affairs tended to support the unions' demands, while the French and Belgian ministers were very reluctant to associate unions at Community level beyond the already existing structures such as the ESC, and preferred to keep consultation at national level. Gobin, 370.

take effective action.[207] Towards the late 1960s, the Commission started to ask more consistently for firm action to be taken by the Community in the social field.

Some pressure also started to come from the EP, which demanded the end of the Community's inaction in the social field. The EP had little say in the matter at the time, especially since meetings of ministers for Social Affairs were at a standstill at the Council. It was seldom consulted on social matters, or on points of detail. One of the few tools at the disposal of the European deputies at the time was to put oral or written questions to the Commission or the Council to direct their attention towards determined problems, or to criticise their behaviour in a given field. Towards the end of the 1960s, MEPs asked several questions that sought to denounce the Council's attitude regarding social affairs. The previously mentioned Deputy Vredeling, who was an MEP from 1958 to 1973 and a member of the parliamentary Committee for Social Affairs and Public Health (hereafter Social Affairs Committee or ASOC), was particularly fond of this technique and adopted a very cutting tone when addressing the Council.[208]

Therefore, on 22 March 1968, prompted by Vredeling, the Social Affairs Committee of the EP put an oral question to the Council in debate, demanding justification for its recent decision to restrict the Commission's autonomy in its contact with social partners. The Committee denounced the contradiction between that decision and "*l'esprit et la lettre des traités européens ainsi qu'avec la nécessité, reconnue par tous, d'une politique sociale communautaire dynamique et progressiste*". The Committee also asked the Council to put article 122 of the EC treaty into effect, which would enable the EP to ask the Commission to draft reports on specific social problems.[209] A few days later, in a written question to the Council, Vredeling expressed his impatience with the Council's failure to meet and act in the field of social affairs, and asked "*comment le Conseil pense-t-il pouvoir éviter que les couches socialement les plus défavorisées de la population des Etats membres et leurs*

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[207] The Memorandum, released by Lionelly Levi Sandri on 18 December 1967, was entitled "Relazione sulla politica sociale della Comunità". Varsori, "The Emergence of a Social Europe," 434–35.

[208] In a recent interview, the former Director General of the Commission's DGV, Jean Degimbe, recalled that Vredeling used to be famous in the Commission and in the EC institutions' circles for his parliamentary questions, which used to be called the 'Vredeling questions'. HISTCOM.2, Histoire interne de la Commission européenne 1973-1986, 'Entretien avec Jean DEGIMBE' par Pierre Tilly, Woluwe le 13 juillet 2010, p.31.

[209] AHPE, PE0-AP-QP/QO-O-0002/680010FR, Parlement Européen, 'Question orale n°2/68 avec débat de la commission des affaires sociales et de la santé publique au Conseil des CE', 22 mars 1968.

représentants sociaux et politiques ne condamnent son attitude?".[210] In September, Vredeling again denounced the fact that the Council was taking no concrete steps towards the adoption of the definitive version of the ESF (which was to be revised after the end of the transition period), and insisted that the EP should be consulted on this matter.[211]

To Vredeling, there was a political void at EC level that could only be filled by the empowerment of the EP and the creation of unified European-wide political parties that would be able to politicise and influence EC policy-making. The inability of 'progressive' parties to merge at EC level and to constitute a sister party for the European trade unions explained why a Community of 'laissez-faire, laissez-passer' had emerged. While parties remained organised on national grounds, firms had long started to organise at an international level. In Vredeling's analysis, after WWII, socialism had re-entered the realm of national politics, whereas capital had internationalised. Growing multinational companies and big European fims all had their lobbies in Brussels and were able to influence European policy. Only a commitment to counter this problem would allow for a European policy based on progress and geared towards workers' interests.[212]

Following these different impulsions, the governments of the member states started to take some timid steps to give a more 'social' or 'human' face to the EC. This new impetus also resulted from a change of political balance in the Council, as social democrats had joined the government in West Germany in 1967 and were also part of the Italian and Belgian coalition governments since the early 1960s.

First, on 29 February 1968, the Council adopted a resolution asking the Commission to encourage further cooperation between the member states in the social field. The initiative came from the West German government, which since 1967 had been led by a coalition including the SPD. In November 1967, the German Representation to the Communities put forward a proposal for a resolution calling on the Commission to study and present a report on the links between social policy and

[210] AHPE, PE0-AP-QP/QE-E-0017/680010FR, Parlement Européen, 'Question écrite n°17/68 de M. Vredeling au Conseil des CE', 26 mars 1968.
[211] AHPE, PE0-AP-QP/QE-E-0181/680010FR, Parlement Européen, 'Question écrite n°181/68 de M. Vredeling au Conseil des CE', 9 September 1968.
[212] HAEU, GSPE-051-FR-A (1970), Henk Vredelink, 'Vers un parti progressiste européen', pp. 96-108. The article was first published in the PvdA's monthly journal *Socialisme en Demokratie* n°3/1970.

the other Community policies. The aim was to encourage coordination of the measures taken by the various member states in the field of social policy. The Commission – in particular Levi Sandri – supported the proposal. For the following two years, the Commission undertook to study the social aspects of each sector of Community policy. The aim of these studies, as explained before the EP by Lionello Levi Sandri, was to take stock of the social situation in order to have a clearer idea of the problems to be dealt with.[213] Exploring the connections between all sectors of EC common policies and social policy, the Commission's reports put forward broad guidelines intended to reconcile social and economic exigencies. The institutional debate about the "correlations between social policy and the other policies of the Community" went on for more than two years, and was to set the foundations for a broader reflection on prospective European social policy.[214] As will be explained in the next chapter, it served as an initial brainstorming to assess the social tasks of the EC and led to a consensus on the need to adopt a 'global' social policy.

Second, in July 1968 the Council of ministers finally agreed to organise for the first time a 'tripartite' Conference on employment. Trade unions had long called for the organisation of such a tripartite meeting in order to overcome their underrepresentation and lack of weight in the institutional apparatus of the EC. In the unions' view, the tripartite conference should include workers' and employers' representatives, the Commission, the Labour and Social Affairs ministers, and should lead to the creation of a permanent body. In May 1968, the unions and UNICE made a proposal for a tripartite conference to be held in order to establish a broad common policy on employment, beyond the mere implementation of free movement of workers; to determine an action programme; and to design better tools to address employment problems beyond the national frame. The German and Belgian governments supported the proposal. The French government insisted, however, that the Council should chair the conference – and hence that the Commission's role should be limited. It also insisted that it should be the prerogative of member states to

[213] Levi Sandri's speech in AHPE, PE0 AP DE/1969 DE19690701-039900, 'Séance du 1er juillet 1969'.
[214] As attested by the various works and debates that took place in the EP in those years. See for instance AHPE, PE0 AP RP/ASOC.1967-A0-0058/690010, 'Rapport complémentaire sur le rapport intérimaire de la Commission des Communautés européennes au Conseil sur les corrélations entre la politique sociale et les autres politiques de la Communauté', 17 June 1969, rapporteur Behrendt; AHPE, PE0-AP-RP/ASOC.1967-A0-0077/700010, 'Rapport sur le deuxième rapport de la Commission des Communautés européennes au Conseil sur les corrélations entre la politique sociale et les autres politiques de la Communauté', 1 September 1970, Rapporteur Behrendt.

decide on the conference's composition. This created discontent among the unions, who protested that they would be underrepresented in the meeting.

Because of these differences, it took until 1970 to find a compromise and the first tripartite Conference was only held in April 1970. The main outcome of the Conference was to trigger a new debate on social issues at EC level and to lead to the creation of a tripartite Standing Committee on Employment (SCE) after a December 1970 Council decision. The Standing Committee would have the task of developing proposals for a common employment policy and for social issues. Disputes on composition and representation continued however, and jeopardised the functioning of the new body throughout the 1970s.[215]

Concomitant with these timid new openings, a rather unexpected event opened new space for enhanced European integration. On 28 April 1969, de Gaulle resigned the French presidency after losing a referendum in which he proposed a reform of the Senate and local governments. This sudden resignation raised questions about the new possibilities it could open for the European integration process. The issues that had been blocked by the French government for many years – in particular the enlargement of the EC to the UK and other countries – were henceforth put back on the table. The idea that de Gaulle's successor would keep vetoing enlargement was deemed unlikely. Beside the change of leadership, the economic and political crisis that France was experiencing since 1968 was tipping the scales in favour of more opening.

De Gaulle's successor, Georges Pompidou, quickly showed signs of a possible modification of the French position on European policy. By spring 1969, both Pompidou and Brand advocated the organisation of a Summit conference to discuss how to go beyond the degree of integration already achieved with the common market.[216] On 1-2 December 1969, the Heads of Government of the Community met

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[215] Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 371; Maria Eleonora Guasconi, "The Origins of the European Social Policy: The Standing Committee on Employment and Trade Unions", in Varsori, *Inside the European Community*, 301–11; Daniel Paulus, *La Creation Du Comite Permanent de L'emploi Des Communautes Europeennes*, Travaux de l'Institut D'etudes Europeennes de l'Universitelibre de Bruxelles (Bruxelles: Bruylant, 1972).

[216] See Andreas Wilkens, "Dans la logique de l'histoire", in Andreas Wilkens, ed., *Willy Brandt et L'unite de l'Europe: De L'objectif de Lapaix Aux Solidarites Necessaires*, Allemagne Dans Les Relations Internationales, v. 2 (Bruxelles: P.I.E. Lang, 2011); On Pompidou's European policy, see Eric Bussière and Emilie Willaert, eds., *Un Projet Pour l'Europe: Georges Pompidou et La*

in the Dutch city of The Hague for the first time since the unsuccessful discussions about the Fouchet Plans in 1961-2. Over the summer, the 'Six' had agreed on the famous triptych that would guide their efforts for a European '*relance*' (revival) at The Hague: completion, deepening, and widening.[217] In brief, completion involved concluding the unresolved argument over the financing of the CAP, providing the Community with its "own resources" and implementing the pending clauses of the Rome treaty. Deepening included opening new areas of cooperation between the member states, mainly in the creation of economic and monetary union, and through political coordination in the field of foreign affairs. Widening referred to the long deferred examination of the accession of potential new members to the EC: the UK, Ireland, Denmark and Norway. At the time, the rise of *détente* contributed to paving the way for a reassertion of a more cohesive Western Europe.[218]

This prospective *relance* – and above all the context of deep change in which it took place – opened new space to think afresh about the 'social dimension' of European unity projects. Amongst European socialist and social-democratic parties, this new context triggered hopes that a social and democratic Europe could materialise around a consolidation and reorientation of the EC. In particular, the new perspective of UK's membership raised hopes for a simplified path to European unity around one single project embodied by the EC. The eleventh Congress of the Socialist International happened to take place in Eastbourne, in England, a month after de Gaulle's resignation, and one day after Pompidou's election (16-20 June 1969). The question of European integration was a prominent topic during the Congress. On 17th June, there was a debate on 'The Unity of Europe', with interventions from several leading figures of European social-democratic parties: foreign minister of the FRG and chairman of the SPD Willy Brandt; Italian Foreign minister, President of the PSU and Vice-chairman of the SI Pietro Nenni; Prime Minister of Great Britain Harold Wilson; Deputy leader of the British Labour Party George Brown; Chairman of the

Construction Européenne (Bruxelles ; New York: PIE-Peter Lang, 2010); Marie-Pierre Rey, "Georges Pompidou et l'Europe," *Vingtième Siècle. Revue D'histoire*, no. 43 (1994): 124–26; Association Georges Pompidou, ed., *Georges Pompidou et l'Europe: Colloque, 25 et 26 Novembre 1993*, Interventions (Bruxelles: Editions Complexe, 1995).

[217] On the three dimensions of the relance and their aftermath, see See J. van der Harst, ed., *Beyond the Customs Union: The European Community's Questfor Deepening, Widening and Completion, 1969-1975*, Publications Du Groupe de Liaison Des Historians Aupres Dela Commission Européenne, v. 11 (Bruxelles: Bruylant, 2007).

[218] Federico Romero, *Storia Della Guerra Fredda: L'ultimo Conflitto per l'Europa*, Einaudi Storia 30 (Torino: Giulio Einaudi, 2009), 3–15.

Austrian Socialist Party Bruno Kreisky; and the Dutch Vice-President of the European Commission Sicco Mansholt, among others.[219]

All interventions pointed to the new prospects that Europe's 'reunification' could open for a stronger and more politically and economically integrated Europe, which could emancipate itself from US influence; restore its role on the world stage as an actor of peace, détente, prosperity, and disarmament; and promote development of the Third World and revision of the international trade system. Brandt asserted that "the organization of Europe will be in the interest not only of the peoples of this continent themselves; it will be beneficial to world peace and, not least, to cooperation with the people of the Third World". He insisted that for this political union to take shape, economic unification was a precondition. Brandt advocated harmonization of trade, monetary, economic and social policies within the Community. Nenni insisted on the need to democratise the Community, in particular by implementing the Treaty's commitment to direct elections. He also emphasised the need to develop new common policies and new instruments in order to "go from a customs union to a planned economic union". Brown shared the will to see a democratisation of the EC through an empowered and directly elected EP. He also underlined that "we need an effective European authority to control the new international companies which in their growth straddle many frontiers" (…); "these vast international organisations (…) should also be subject to the scrutiny and control of an appropriate democratically elected body".[220]

What is striking in all these interventions is that they testify to the fact that the prospective *relance* of European integration in 1969 created concrete impetus for Western European socialists and social democrats to envisage the achievement of a social-democratic Europe. This impetus was centred around the EC, but was understood as a larger pan-European project. In Kreisky's words,

> It is doubtless important for Europe to resume her role in world politics. But to me it is more important that we create in Europe conditions which will serve to bring about Social Democracy. Social Democracy can, however, only be fulfilled in Europe if the material requirements are there. Again, these can only be created by the economic integration of Europe. Therefore, the struggle to create a united Europe is also a struggle for the realization of our aims. (…) Social Democracy in an integrated Europe

[219] IISH, SI-260, 'Eastbourne Report-1: 11th Congress of the SI, 16-20 June 1969'; IISH, SI-260, 'Eastbourne report 2: 11th Congress of the SI, 16-20 June 1969'.
[220] See Brandt, Nenni and Brown's speech transcripts in IISH, SI-260, 'Eastbourne Report-1: 11th Congress of the SI, 16-20 June 1969'.

> will exercise a fascination which will reach out beyond its own boundaries and will lend meaning and reality to the grand vision of a Europe which extends to the Urals.[221]

This ambition, however, could only be realised if the member parties of the Socialist International (SI) managed to assert their influence over European policy-making. In his intervention in the debate, Mansholt raised the question:

> What about Socialism? Where is the influence of our parties in Europe? We see being created at this very moment a more and more capitalistic, uncontrolled economy. We see big industrial concentrations traversing the borders. We see that major decisions are more and more taken by these great companies. Perhaps this concentration is necessary in our modern world. But where is the counterpart? Where are the socialists? We are still working on a national base. We are split up in national socialist parties. If we as Socialists want to control and have an influence on the development of Western Europe, can we go on like this? Of course, we have here our conference. But this conference is a meeting where we hear speeches and there is a resolution which is not binding for the parties. That means it is only a recommendation as to the position to be taken nationally. I am convinced that the time has come to think over our situation. And in my opinion the only answer is that we establish in Western Europe, in this Community, a European socialist – progressive socialist – democratic party.[222]

The 1969 Hague Summit and the prospective *relance* of European integration and enlargement thus clearly constituted an incentive for these parties to strengthen their collaboration and define a coherent social and democratic European policy programme. For the time being however, the project of a centralised European socialist party met with firm resistance within the SI. Strong socialist parties from non-EC countries, such as Kreisky's *Sozialdemokratische Partei Österreichs* (SPÖ) feared, with good reason, being left aside, while as explained before, some important EC-member parties, such as the SPD, were reluctant to give up much of its newly acquired room to manoeuvre.[223]

In the absence of party coordination, socialist and social-democratic parties had limited influence over European policy, including the definition of the social and economic guidelines of the EC. In the years before 1969, the archives of the SGEP

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[221] See Kreisky's speech transcript in IISH, SI-260, 'Eastbourne Report-1: 11th Congress of the SI, 16-20 June 1969'.
[222] See Mansholt's speech transcript in IISH, SI-260, 'Eastbourne Report 2: 11th Congress of the SI, 16-20 June 1969'.
[223] Kreisky's speech transcript in IISH, SI-260, 'Eastbourne Report-1: 11th Congress of the SI, 16-20 June 1969'.

and of the SPEC show the lack of initiative taken to define and put forward concrete proposals to rethink the social policy of the EC, or to formulate a comprehensive project for a 'social' Europe.[224] The issues that figured prominently on the Socialist Group's agenda were the achievement of the CAP, the completion of the Common Market, the crisis of the EC under de Gaulle's presidency, the fusion of the executives, and the international and monetary situation. The minutes of the Group's working party on social and economic affairs show a broad shared idea that monetary union would presuppose economic coordination, direct elections, budgetary policy, regional and social policy to be reinforced.[225] There were, however, no concrete proposals on these different questions.

Therefore, on 28 November 1969, the declaration of the Liaison Bureau of the Socialist Parties of the EC prior to The Hague summit expressed only a lowest common denominator position, or perhaps more accurately, the position of the leaders of the Bureau itself. It called for new political impetus and for democratisation of the Community's organs – granting budgetary and legislative powers to the EP, instating direct elections, enhancing the Commission's executive powers, applying majority vote in Council – in order to reinforce "people's" influence on the decisions of the Community. It insisted on the need to open enlargement negotiations, adopt new procedures for closer coordination of foreign and security policy, and strengthen economic and monetary solidarity. It made no mention of social policy but called broadly for "budgetary solidarity".[226]

Yet the Hague summit was widely seen (within socialist parties, unions and beyond) as an opportunity to repair the EC's lack of democratic and social perspective.[227] Therefore, for instance, a few weeks before the heads of state and government were to meet, on 3 November 1969, the EP deputies discussed what they

[224] For instance HAEU, GSPE-046-FR; HAEU, GSPE-047-FR; HAEU, GSPE-048-FR; HAEU, GSPE-049-FR: all the official docmuents of the SGEP between 1967 and 1969 deal very little with social affairs except for some Commission proposals regarding the free movement of labour. The freezing of EC activity clearly halted the activity of the group, and there was no effort to countervene this inertia.
[225] HAEU, GSPE-050-FR (1969), pp.110-123, 'PV de la Réunion du groupe de travail sur les problèmes économiques et sociaux', 7 juillet 1979, Bruxelles.
[226] HAEU, GSPE-6, 'Déclaration du Bureau de Liaison des Partis Socialistes de la Communauté Européenne sur la Conférence des chefs d'Etat ou de gouvernement qui se tiendra les 1er et 2 décembre 1969 à La Haye', 28 novembre 1969, published in *Courrier Socialiste Européen* N°5/1969.
[227] For a more in-depth analysis of the Hague summit and its implications for the social dimension of the EC, see Maria Eleonora Guasconi, *L'Europa Tra Continuità E Cambiamento: Il Vertice dell'Aja Del 1969 E Il Rilancio Della Costruzione Europea*, Storia Delle Relazioni Internazionali 8 (Firenze: Polistampa, 2004); Maria Eleonora Guasconi, "Paving the Way for a European Social Dialogue," *Journal of European Integration History* 9, no. 1 (2003): 87–110.

regarded as the fundamental problems the Community had to face, and took a position in favour of the inclusion of social issues amongst the points listed on the summit's agenda. The EP adopted a resolution advocating "the promotion of a common social policy and in particular the reform of the European Social Fund, which must become a true Community instrument for a policy of full employment and improving living conditions in the Community".[228] In October 1969, in view of the summit, European trade unions (the EFTUC) also released a memorandum calling for more representation at EC level and criticising the lack of action in social and employment policy. In particular, the memorandum criticised the inefficiency of the ESF and the malfunctioning of its intervention. On 6 November 1969, the European Free Trade Union Confederation (EFTUC) and the European Organisation of the World Labour Confederation (EO-WLC) adopted a common declaration addressed to the participants of the Hague Conference, asking for a political *relance* of Europe with a concrete programme including enlargement, reform of the ESF, enhanced powers for the EP, and closer association of social partners with Community decision-making.[229]

These calls resulted in a commitment by the heads of state of the 'Six' meeting in The Hague for greater coordination of their social policies and for revision and improvement of the ESF. Historians like Bino Olivi and Sylvian Schirmann have argued that the Hague Summit was the first occasion on which the new social democrat West German Chancellor Brandt laid the basis for the creation of a European social policy.[230] However, a closer look at the broad programme of European *relance* laid out by Brandt in his summit speech shows no mention of social policy at all. Brandt referred to a "solidarity will", a reference to the creation of an economic and monetary union and the creation of a common European Reserve Fund. He also invoked "European solidarity" when addressing the question of the CAP's completion.[231] However, there is no evidence that Brandt invoked social policy –

[228] The original text of the resolution is repeated in AHPE, PE0-AP-RP/ASOC.1967-A0-0170/690010 'Résolution sur l'avis de la Commission des Communautés européennes au Conseil sur la réforme du Fonds social Européen', 9 December 1969 (my translation).
[229] Maria Elena Guasconi, "The Origins of the European Social Policy", in Varsori, *Inside the European Community*, 302; Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 378–82.
[230] Sylvain Schirmann, "Willy Brandt et les débuts de l'Europe sociale, 1969-1974", in Wilkens, *Willy Brandt et L'unite de l'Europe*, 311–323; here p. 312; Bino Olivi, *L'Europe Difficile: Histoire Politique de La Construction Européenne*, 156 (Paris: Gallimard, 2007), 159.
[231] The speech is published in the appendix of Wilkens, *Willy Brandt et L'unite de l'Europe*.

even less so the idea of a 'social Europe'.

Brandt's omission of social policy on that occasion – contrasting, as we will see, with his commitment to a social Europe in the following years – was probably due to the still sensitive relations between France and its European partners. Brandt was trying to handle Pompidou's new opening to European integration with care. The Hague summit was a moment of subtle negotiation between France's ambitions (mainly the completion of the CAP), and the demands of Germany and its partners (enlargement of the Community, economic and monetary union, political cooperation, etc.). Other issues were intentionally put to one side in Brandt's speech, such as the question of the democratisation of the EC institutions and what Brandt would later call 'Social Europe'. At the time, as Andreas Wilkens pointed out, for the German government European social policy and regional policy remained long-term objectives that would be tackled once the revival of European integration was secured.[232]

In other words, a common social policy or a more 'social' Europe was not a priority for the EC's main social-democratic government at the time, nor for any of the governments of the 'Six'. As a matter of fact, the final release of the Hague Summit only devoted one sentence to social policy: "The heads of State and Government recognise the opportunity of a reform of the Social Fund, within the framework of a close coordination of social policy".[233] This was a very meagre commitment, especially when compared to the much longer passages devoted to the other aspects of completion, deepening and widening. The inclusion of the reform of the ESF into the final communiqué (§12) was mostly a result of the insistence of the Italian government, which was hoping to benefit from the ESF more than in the past to cope with its persisting unemployment problem. This was in line with the Italian position since the creation of the EC.[234]

Despite the meagre social commitment by the heads of state in The Hague, the outcome of the summit was generally welcomed as a milestone for European unity. Among other things, it raised hopes for the development of a common social policy,

[232] Andreas Wilkens, "Dans la "logique de l'histoire": Willy Brandt et la césure européenne de 1969/1970", in Wilkens, 247–282; here p. 272 and 276.
[233] See the full-lengh version of the final release, 'Communiqué final du Sommet de La Haye' (2 décembre 1969), on http://www.cvce.eu/viewer/-/content/33078789-8030-49c8-b4e0-15d053834507/fr.
[234] Guasconi, *L'Europa Tra Continuità E Cambiamento*, 32–37.

the aim of which would not be limited to ensuring the principle of free competition and labour market efficiency, as had widely been the case until that point. MEPs involved in the Committee for Social Affairs repeatedly pointed out that the new opening of the heads of state towards social policy at The Hague was an opportunity that needed to be seized to push for achievements in the social field. Astrid Lulling, a member of the Luxembourg Socialist Workers' Party at the time, and a keen advocate of a European social policy, put it in these terms:

> Puisse le léger souffle européen que nous avons senti descendre de la réunion au sommet de La Haye porter rapidement le Conseil de ministres sur la voie des réalisations tant attendues par nous dans le domaine social. Puisque nos chefs de gouvernement ont appelé de leurs vœux la réforme du Fonds social européen, que leurs ministres s'emploient à la mettre en œuvre au plus vite, réalisant ainsi un apport fondamental à notre Communauté pour sa stabilité et sa croissance et pour le bien-être de tous nos citoyens.[235]

On 11 December 1969, a few days after the summit, a debate took place in Strasbourg between the EP, the European Commission and the Council of Ministers. The President of the SGEP Francis Vals expressed the Group's relative satisfaction with the commitments taken by the member states in The Hague, especially regarding the prospective enlargement, the completion and rationalisation of the CAP, the creation of the EC's 'own resources', and the prospective creation of the EMU. He regretted, however, the member states' lack of commitment to reform and democratise the EC's institutions, and especially deplored the very mild declarations regarding the prospective direct elections of the EP. Regarding social policy, the Socialist Group welcomed the member states' commitment in favour of a reformed and more efficient ESF. Vals insisted, however, that the ESF should not remain a mere system of reparation, but should become a dynamic tool supporting an active policy of full

[235] Lulling's intervention in AHPE, PE0-AP-DE/1969-DE19691209-039900FR, 'Séance du 9 décelmbre 1969'. Astrid Lulling (born 11 June 1929) is a politician from Luxembourg, who became a member of the country's House of Representatives in 1965 for the Socialist Workers Party of Luxembourg (from which she was expelled in 1971, after which she joined the Social-Democratic Party). In 1965, she was one of the first two female members of the EP (out of 142 deputies) and served as a MEP in 1965-74 and 1989-2014. During the 1960s-1970s, she was particularly active in promoting the reform of the ESF and the implementation of the principle of equal treatment between men and women.

employment and improving living conditions within the EC.[236] As will be seen in the next chapter, this became the chief claim of the socialist and social-democratic parties during the following years, in particular during the discussions on the reform of the ESF. These kinds of common declarations of the SG were scarcely representative however, at a time when the SPEC lacked the legal and infrastructural backbone to coordinate its affiliates' positions on European policy. Vredeling's assessment of the results of the Hague summit was much more critical. He charged that the summit resolution adopted by the member states "*n'offre aucune base pour une politique européenne axée sur le progrès*".[237]

5. Conclusion

The resolution taken by the member states of the EC in December 1969 at The Hague only contained a very meagre commitment in the social field, and certainly did not open the way to anything close to 'social Europe', however broadly understood. Nonetheless, it did provide an initial impetus for the process that led to a reform of the ESF. As I will show in the next chapter, this initial impetus would contribute in turn to a greater awareness of the need for a 'global', comprehensive, European social policy. More broadly, the summit marked a significant '*relance*' of European integration. The new political impetus set the tone for enhanced cooperation and led to the first enlargement of the EC during the first half of the 1970s. The triple objective fixed by the 'Six' during the summit – completion, widening, and deepening – contributed to triggering more concern about the 'social' dimension of European integration and about the need for a common social policy. All three objectives were expected to have important social consequences for the Community.

First, the completion of the common market (especially the suppression of non-tariff barriers) required the harmonisation of social security and migrant workers' rights. Second, accession of the candidate countries would bring new depressed areas and sectors within the Community, especially in the case of the highly industrialised United Kingdom, which was experiencing increasing industrial changes. The prospective enlargement to the UK, Ireland, Denmark and possibly Norway also

[236] HAEU, GSPE-6, Francis Vals, "Traduire La Haye dans les faits", 11 décembre 1969, in Courrier Socialiste Européen, n°6/1969.
[237] HAEU GSPE-051-FR-A (1970), Henk Vredelink, 'Vers un parti progressiste européen', *op. cit.* p.101.

raised the problem of how to harmonise an increasingly diverse number of social policy and welfare systems. It also meant opening negotiations with countries that had, as Norway and Denmark, some of the most comprehensive welfare regimes and highest social standards in Europe. Furthermore, the decision to deepen the integration process through the progressive achievement of an economic and monetary union (EMU) raised complex questions about the social consequences and orientations (and generally about the political economy) of such a union.

The *relance* initiated after the Hague summit would be deeply marked by the social, economic and political context described in this chapter. It took place at a time when European societies were calling into question the foundations of the postwar order, asking for greater institutional and economic democratisation, for a more even redistribution of wealth, for greater individual and collective rights, and for more 'humane' working and living conditions. It also took place at a time when the 'European Left', as I have shown, was timidly turning towards European integration and placing increasing hopes on the EC as a possible tool through which a democratic and socialist Europe might be realised. What is more, it took place at a time when social democracy was undergoing an important ascent. The upcoming 1970s were to herald the opening of the 'golden age' of social democracy in Europe.

Indeed, throughout the decade (or in the case of France, at the turn of the 1980s), socialist and social-democratic parties came to power or joined coalition governments in the majority of EC and European countries. Arguably, this golden age was also a moment of 'radicalisation' of European social democracy, when the rationales of international free trade, the free market and capitalism itself (among others) were increasingly called into question. By the end of the 1960s, the different forces of the European Left – mainly social democratic parties, and to some degree communist parties and their 'sister' unions – started to show greater will to engage with the problems and potentials raised by European integration. Cohesion and coordination among and between those different forces was merely embryonic however, and did not yet allow for the formulation of anything close to a common European programme of the Left. Nevertheless, in the following years, these forces showed increasing will and capacity to organize at European level and to propose the realisation of a 'social Europe'. By the early 1970s, 'social Europe' was to become one of the leitmotifs of Brandt's European policy. The SPD (the dominant left-wing party within the EC during the 1970s) then set the tone for a rethinking of European

integration along more ‘social’ and ‘democratic’ lines.

As I will show in the next chapter, the early 1970s saw both the emergence of a consensus across the European political spectrum about the need for an enhanced ‘European social policy’ (starting from and surpassing the reform of the ESF), and the formulation of a much more far-reaching project of ‘social union’ among the forces of the European Left – not just a social rectification of the liberal capitalist Community, but an alternative model of integration that would allow for the implementation of a ‘social Europe’.

Chapter Three
From ‘European social policy’ to ‘Social Europe’, 1969-1972

1. Introduction

Following decisions of the heads of state for a revival of their cooperation at the 1969 Hague summit, the political context favoured reflection on the social dimension of the EC, and by extension of the European integration project. The reflection that opened in 1968-69 on a common social policy culminated in December 1972 with a new commitment by the heads of state in Paris to realise a European ‘social union’ that would be as important as the prospective economic and monetary union.

In this period a long and complex debate took place within the EC institutions and among the actors involved in their decision-making process. This debate was a new attempt to frame the Community’s competences in the social field, and saw a significant evolution in the way they were conceived. The evolution was twofold. On the one hand a consensus emerged across the European political spectrum on the need for an enhanced ‘European social policy’ – starting with and surpassing the reform of the ESF. However, this ‘European social policy’ consensus remained somewhat narrow, as it was conceived mainly as a support and social rectification for the functioning of the common market. On the other hand, in parallel, a much more far-reaching project of ‘social union’ was gradually formulated among the forces of the European Left – an alternative model of integration intended to gear European integration to social(ist) objectives.

This ‘social union’ (or ‘social Europe’) was mostly promoted by the socialist and social-democratic forces organised at EC level. The parties and unions championed this still embryonic project, as did some socialist actors within the institutions, not least the Commission and the EP. The very early years of the 1970s saw an increasing ‘turn’ of these forces towards the EC. With the perspectives opened by the upcoming enlargement, the project to create a monetary and economic union,

and the importance of Brandt's SPD-led government in West Germany, it seemed an increasingly auspicious opportunity to use the EC as a tool to gear (Western) Europe to social-democratic values. As a result, the attitude of the EC towards social policy issues did change rather significantly at the time.

This chapter examines this shift in the ways in which the social dimension of European integration was conceptualised at the EC level during this period. It tries to identify the different reasons that concurred in the emergence of a project of 'social Europe' during the early 1970s. First, I show that the incipient work of the Community on social policy after The Hague *'relance'* showed a new consensus on the need to develop the social activity and image of the EC, but did not fundamentally challenge the productivist inspiration of European social policy. In this first phase, the efforts of socialist unions and parties remained markedly focused on institutional 'democratisation' concerns, in particular on how to increase and institutionalise the participation of workers' representatives in social and economic decisions. I then analyse the different reasons that led to the formulation of a much broader project for a 'social union' during the early 1970s – increasing will within Brandt's government to define its European policy, as well as positive perspectives on enlargement and of the creation of the EMU – which encouraged European socialist parties and trade unions to increasingly envisage the EC as a potential tool for the realisation of a *socialist* Europe. Finally, I show how these new expectations converged during the preparation of the October 1972 Paris Summit and led the heads of state to commit to achieving a 'social union' meant to place Western Europe at the avant-garde of social progress and to reassert its position in the world.

2. Reassessing European 'social policy' and 'social dialogue' after The Hague

Balancing social policy and other EC policies

After 1968, against the backdrop of increased demands for a more 'social and democratic' EC, and after the *relance* of European integration launched at the 1969 summit in The Hague, the Community undertook different initiatives in the field of social policy.

One of these initiatives was the series of studies carried out by the Commission on the 'correlations between social policy and the other policies of the

Community', in accordance with the request made by the German Labour minister Hans Katzer in February 1968. The aim of these studies, started under the direction of the Commissioner for Social Affairs Levi Sandri and taken up by his successor, the Belgian Christian Democrat Albert Coppé after July 1970, was to assess the social aspects of each existing Community policy – agricultural, transport, regional, industrial, energy policy, medium-term economic policy, etc.[238]

The Commission's reports examined in detail what had been implemented and what remained to be done to comply with the social provisions of the treaties – migrant worker's rights, health and security at work, vocational training, the harmonisation of working time, and so on. They also considered some employment and social problems that had arisen in relation to the implementation of the common market, which had led to restructurings in several economic sectors. The Commission pointed out that the social dimension of the treaties had been too systematically neglected and subordinated to the economic one. It advocated increased efforts to catch up with the implementation of social measures in order to 'reconcile' the Community's broad social and economic goals. In Coppé's own words, it was high time to reconsider the EC's overemphasis on economic goals:

> Si, en effet, nous avons connu au cours de la dernière décennie une croissance économique moyenne de 4,3%, on est en droit de se demander si le prix de ce succès n'est pas trop élevé et s'il ne serait pas plus raisonnable de se contenter d'une croissance du produit national brut de 3,3%, mais dont la sécurité, l'hygiène et la salubrité du travail ne feraient pas les frais.[239]

The institutional debate about the 'correlations' between social policy and other EC policies contributed to the initiation of a broader reflection on the development of a more coherent, fully-fledged and ambitious 'European social policy'. The EP broadly supported the Commission's reports and called for firmer action on the part of the Council concerning employment and social affairs.[240] During the plenary debates, all

[238] The Commission submitted two reports to the Council (on which the EP was consulted): HAEU, BAC-094/1985_0413, 'Rapport intérimaire de la Commission des Communautés européennes au Conseil sur les corrélations entre la politique sociale et les autres politiques de la Communauté (SEC (68) 1932 final)', 12 July 1968; HAEU, CM2/1970-1163, 'Deuxième rapport de la Commission des Communautés européennes au Conseil (SEC (70) 510 final)', 17 March 1970.

[239] Coppé's intervention in AHPE, PE0-AP-DE/1970-DE19701006-029900FR, 'Séance du 6 octobre 1970'.

[240] AHPE, PE0-AP-RP/ASOC.1967-A0-0058/690001FR, 'Résolution sur le rapport intérimaire de la Commission des CE au Conseil sur les corrélations entre la politique sociale et les autres politiques de la Communauté', 28 July 1969; AHPE, PE0-AP-RP/ASOC.1967-A0-0077/700001FR, 'Résolution sur

political parties embraced the plea for increased social action in all sectors of EC policy. Only a handful of Non-Attached left-wing MEPs – such as the Italian deputy Lucio Mario Luzzato, member of the *Partito Socialista Italiano di Unità Proletaria* – criticised the insufficiency of the sectoral approach adopted by the Commission and voted against the EP's resolutions. Instead they advocated the definition *in primis* of common social goals that should then guide all dimensions of the EC's policy-making.[241]

This criticism was apparently shared by the members of the EP's Social Affairs Committee, who called for a surpassing of the fragmented approach and the adoption of a comprehensive approach to social policy: "it is especially important to ensure an internal cohesion between economic policy and social policy".[242] As expressed by MEP Lulling, it was necessary to sharpen "*une vision d'ensemble de la politique sociale pour determiner une action cohérente dans les divers secteurs de la politique communautaire*".[243]

Therefore, the Commission's studies about the social aspects of the different common policies was the occasion for the advocates of a stronger common social policy, such as the German SPD MEP and future President of the EP Walter Behrendt, to assert their view on the need to adopt a "global strategy" in the social field at Community level. [244] The MEPs insisted that harmonisation of national social policies was needed but was unsufficient, and that a comprehensive common social policy needed to be settled upon. As expressed by Lulling:

> l'importance des aspects sociaux des différentes politiques communes n'exclut pour nous en rien ce que nous [the Socialist Group] avons toujours réclamé, à savoir la nécessité d'avoir un

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le deuxième rapport de la Commission des CE au Conseil concernant les corrélations entre la politique sociale et les autres politiques de la Communauté, 26 Octobre 1970.

[241] Luzzato's intervention in AHPE, PE0-AP-DE/1970-DE19701006-029900, 'Séance du 6 octobre 1970'.

[242] AHPE, PE0 AP RP/ASOC.1967-A0-0058/690010, 'Rapport complémentaire sur le rapport intérimaire de la Commission des Communautés européennes au Conseil sur les corrélations entre la politique sociale et les autres politiques de la Communauté', 17 June 1969, rapporteur Behrendt. The same approach is in the second report: AHPE, PE0-AP-RP/ASOC.1967-A0-0077/700010, 'Rapport sur le deuxième rapport de la Commission des Communautés européennes au Conseil sur les corrélations entre la politique sociale et les autres politiques de la Communauté', 1 September 1970, Rapporteur Behrendt.

[243] Lulling's intervention in AHPE, PE0-AP-DE/1969-DE19690701-039900FR, 'Séance du mardi 1er juillet 1969 - Corrélations entre la politique sociale et les autres politiques de la Communauté'.

[244] Walter Behrendt was a German politician of the SPD and member of the Budestag (1957-1976) where he was assistant chairman of the Labour Committee. He was MEP between 1967 and 1977 where he served as vice-president (1969-71;1973-77) and president (1971-73). Behrendt's intervention in AHPE, PE0-AP-DE/1970-DE19701006-029900, 'Séance du 6 octobre 1970'.

> concept clair d'une politique sociale dynamique qui ne soit pas seulement une annexe des autres politiques.[245]

It is therefore during the debates on the 'correlations' that several members of the EP – both from the centre-left (Lulling) and the centre-right (German CDU MEP Müller) – demanded that the Commission draft a memorandum on social policy: "*Ce que nous espérons et attendons, c'est un programme d'action aussi précis que possible, indiquant les priorités ainsi que les voies et moyens pour atteindre des objectifs concrets*".[246] Although in 1968 Levi Sandri, and in 1970 Coppé, both subscribed to the idea, it was not until 1972 that the European Commission released its 'preliminary guidelines for a European social policy', which would be the first step towards the adoption of a more comprehensive social action programme at EC level.

'European social policy' revisited: the reform of the European Social Fund

Meanwhile, another significant social policy dossier was set about by the European Community: the reform of the European Social Fund (ESF), which engaged a large part of the Community's work in the social field between 1969 and 1972.

The ESF was one of the few redistributive financial instruments set up by the Rome Treaty (articles 123-127). Its objective was "to improve employment opportunities for workers within the common market and to contribute thereby to raising the standard of living" within the Community.[247] Its task was to facilitate access to employment and to increase geographical and occupational mobility of labour within the Community. In other words, the Fund aimed to improve the flexibility of labour with a view to optimising the functioning of the Common Market. Concretely, the ESF could contribute to covering vocational training and relocation indemnities financed by the member states, as well as temporary aid granted to

[245] Lulling's intervention in AHPE, PE0-AP-DE/1970-DE19701006-029900, 'Séance du 6 octobre 1970'.
[246] Lulling and Müller's interventions in AHPE, PE0-AP-DE/1970-DE19701006-029900, 'Séance du 6 octobre 1970'.
[247] Article 123 of the Treaty establishing the European Economic Community (article 146 of the consolidated version). For a full-length version, see European Union, *Selected instruments taken from the Treaties*, Book I, Volume I, 1999. The ESF was to be administrated by the Commission with consultative assistance of a Committee presided over by a Commission member and formed by governments, workers and employers representatives. Its functioning was laid out in 1960 by regulation n°9 of the Council, see http://aei.pitt.edu/57040/1/Reg_9_concerning_the_ESF_1960.pdf, last visited 11 November 2016.

workers whose jobs were reduced or suspended following economic restructurings. In practice, the policies implemented in the years following the creation of the ESF mainly focused on improving occupational mobility and retraining. Between 1961 and 1973, more than 1, 700 000 workers in the Community benefitted from aid through the ESF.[248]

However, as initially set up in 1961, the ESF soon proved inadequate and discussions about the need for revision arose very quickly. By the end of the decade, reform became more pressing for several reasons. First, like the internal market itself, the ESF had initially been set for a transitional period due to end on 31 December 1969.[249] Second, it had become clear that its functioning was particularly inefficient. As Lorenzo Mechi showed in detail, the first version of the ESF was flawed by highly restrictive conditions of allowance, excessively complex and dissuading administrative requirements, discouraging reimbursement procedures, fragmented intervention, and so on.[250] As a result of its bureaucratic complexity, the ESF ended up favouring the Community's countries that had the best bureaucratic skills, like Germany, whose workers received 25,5% of the aids. It fell short of one of its main original political objectives – to reduce Italy's unemployment problem in the Mezzogiorno.[251] Finally, the budget of the Fund – approximately 154 million units of account (with one unit = 0,88867088 grams of gold) for a period of over twelve years – was very limited, especially if compared to the budgets of other Community funds or to national social policy schemes.

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[248] Doreen Collins, *The European Communities : The Social Policy of the First Phase.* (Robertson, 1975) vol. 2, p.67.

[249] At the end of the transitional period, the Council could decide, following the opinion of the Commission and after consultation with the ESC and the EP, whether to terminate it or to determine its new missions. At that date, the member states were losing the advantage of the safeguard clauses provided for by article 226 of the Rome Treaty which enabled them, in case of serious difficulties, to rescue a given sector or region. Therefore, as they were losing this safeguard, member states had a greater interest in entrusting the Community with certain competences in the field of social and employment policies.

[250] Lorenzo Mechi, "Les Etats Membres, Les Institutions et Les Débuts Du Fonds Social Européen," in *Inside the European Community: Actors and Policies in the European Integration 1957-1972*, ed. Antonio Varsori (Baden Baden: Nomos, 2006), 95–116; René Leboutte, *Histoire Économique Et Sociale De La Construction Européenne*, Collection Multicultural Europe, no 39 (Bruxelles ; Oxford: P.I.E. Peter Lang, 2008), 653–64.

[251] Mechi, "Les Etats Membres, Les Institutions et Les Débuts Du Fonds Social Européen," 95–116. However, according to Collins, 65% of workers who received aids from the Fund were Italian. The fact that a larger number of workers who benefited from ESF aid were Italian did not preclude that the overall percentage of the budget was spent in other countries like Germany on less labour extensive programmes. Collins, *The European Communities*, 67–77.

The Commission and the EP had already called for a reform of the Fund several times, as had the trade unions and the employers of ETUC and UNICE, who wanted the ESF to become the backbone of a fully-fledged common employment policy that still had to be defined.[252] For obvious reasons, during the decade of the 'empty chair' crisis, a decision that would improve or extend this Community financial instrument was rather unlikely. As the stalemate of European (Community) cooperation drew to a close at the end of the 1960s, the Heads of State and government of the 'Six' asked the Commission to make proposals for a reform of the Fund at The Hague Summit in December 1969.[253] This first reform would not be implemented until May 1972. Beyond the technical and administrative aspects, the reform of the ESF raised fundamental questions regarding the definition and assertion of a social policy at the Community level – regarding financial solidarity between member states, but also regarding the EC's institutional set-up and the involvement of social partners in its policy-making.

The Commission's opinion, released in June 1969, aimed at reinforcing the ESF through more effective management, larger scope for intervention in terms of activities and beneficiaries, and an increase of its resources.[254] The priority of the Commission was to rethink the rationale of the Fund's function, which should no longer be limited to action *a posteriori* but should become an efficient tool that intervenes *a priori* to facilitate the implementation of the EC's common policies and the functioning of the common market. The Commission also advocated opening the Fund to new beneficiaries, such as independent workers and workers leaving the agricultural sector, as well as underprivileged categories of workers such as women, young people, seniors, and the disabled. Furthermore, it recommended extending the range of interventions, for instance by supporting measures favouring not only

[252] European trade unions were critical of the ESF and wrote a memorandum in October 1969, on the eve of The Hague Summit and of the ESF reform, that assessed negatively its functioning. Maria Eleonora Guasconi, "The Origins of the European Social Policy: The Standing Committee on Employment and Trade Unions," in *Inside the European Community: Actors and Policies in the European Integration 1957-1972*, ed. Antonio Varsori, Nomos (Baden Baden, 2006), 302; Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 399–408.

[253] 'Communiqué final du Sommet de La Haye' (2 décembre 1969), available on http://www.cvce.eu/viewer/-/content/33078789-8030-49c8-b4e0-15d053834507/fr. In reality, the Commission had submitted an opinion to the Council before the Summit. It was debated by the EP the day following the end of the summit.

[254] 'Avis de la Commission au Conseil sur la réforme du Fonds social européen', June 1969, in Journal Officiel des Communautés Européennes (JOCE) n° C 131, pp. 4-21.

reemployment but also first professional insertion. On the institutional level, the proposals advocated increasing the Commission's managing and financing competences, as well as increasing the role of social partners by strengthening the committee of the ESF in which they were represented.

According to Mechi, the reformed Fund conceived at the turn of the 1970s expressed a growing post-1968 awareness on the part of political elites of the need to take structural problems and economic disparities into consideration.[255] In his view, with the new focus on structural unemployment, the reform:

> corrigea d'une façon plus authentiquement 'sociale' l'inspiration 'productiviste' traditionnelle du Fonds, qui, sans abandonner ses objectifs d'aide à la mobilité, introduisit un élément clair de redistribution, premier embryon des objectifs de cohésion qui s'affirmeront dans les décennies suivantes en connexion avec l'approfondissement de l'intégration économique et monétaire.[256]

This interpretation could be nuanced. Indeed, a closer look at the Commission's documents and at the debates of the EP reveals that their overarching aspiration was to turn the ESF into an efficient economic tool, a 'stimulator' for common policies and for the common market, and the backbone of a prospective common employment policy. The idea was to enhance the Community's social policy by increasing the efficiency of the common market and optimising the organisation of the labour market. The EP was consulted several times during the reform process, which pushed MEPs to refine and put forward their position on this question more than on other social issues addressed at the time.[257] It wholeheartedly

[255] Mechi highlighted the productivist origins of the first European Social Fund. In his view, the Fund was first conceived as a crucial instrument to incite productivity. It did so by promoting a more rational distribution of the labour force and facilitated technological and structural changes by softening their negative social consequences. In this perspective, social issues were seen as a means of favouring economic competitiveness. Lorenzo Mechi, "Stabilisation Sociale et Efficience Économique: Les Origines 'productivistes' du Fonds Social Européen," in *The Road Europe Travelled Along: The Evolution of the EEC/EU Institutions and Policies*, ed. Daniela Preda and Daniele Pasquinucci (Brussels: Peter Lang, 2010), 353–65.

[256] Mechi, 365.

[257] Like the questions of the Tripartite Conference on Employment and the creation of the Standing Committee on Employment, which, as will be detailed later in this chapter, involved mainly the 'social partners'. Despite its lack of formal powers, the European Parliament got actively involved in the reform of the Fund. Between the first discussion of the reform in December 1969 and the entering into force of the renewed Fund in May 1972, the Parliament adopted no less than seven resolutions, many of which were 'complementary resolutions' and dealt with issues on which it was not formally consulted (for instance the composition of the ESF Committee). Letters to the president of the Council, spontaneous resolutions, oral and written questions to the Commission and to the Council; the MEPs exploited all the means at their disposal to weigh in on the conception and the control of the new Fund.

supported the broad strokes of the Commission's proposal, especially regarding the need for the Fund to become a complement to all Community policies:

> Le Fonds social doit être un instrument à la disposition des institutions communautaires, capable d'intervenir avec souplesse, rapidité et efficacité, toutes les fois que les orientations des politiques communautaires ou des décisions relatives au fonctionnement du Marché commun entraîneront des conséquences ou feront naître des exigences nouvelles dans le domaine de l'emploi et des conditions de vie et de travail de la population active.[258]

The prevailing concern was to boost employment in determined sectors, regions and categories of population, not just alleviating the negative social consequences of the Common Market – 'repairing' – but preventing them by optimising the economy, in order to achieve full employment and improved living conditions. The ESF's 'social' action was clearly perceived as a lever for the economy by MEPs who approved the parliamentary reports. "Motor", "lever", "stimulator" were the images most commonly used to describe the new Fund. Thanks to this new focus, the Fund would become "an important economic instrument" for the Community.[259] The representatives of workers and employers organised at EC level broadly welcomed the Commission's proposal and this vision of the Fund.[260]

See for instance EP Resolutions: AHPE, PE0-AP-RP/ASOC.1967-A0-0170/69001FR, 'Résolution sur l'avis de la Commission des CE au Conseil sur la réforme du FSE', 9 December 1969; AHPE, PE0-AP-RP/ASOC.1967-A0-0043/700001FR, 'Résolution sur la réforme du FSE', 15 May 1970; AHPE, PE0-AP-RP/ASOC.1967-A0-0066/710001; PE0-AP-RP/ASOC.1967-A0-0147/710001, 'Résolution sur les propositions de la Commission des CE au Conseil relatives : I. à un règlement d'application de la décision n° 71/66/CEE du Conseil du 1er Février 1971 sur la réforme du Fonds social Européen ; II. À une décision du Conseil portant application aux départements français d'outre-mer des articles 123 à 127 inclus du traité CEE', 9 June 1971 and 18 October 1971 (two resolutions).

[258] AHPE, PE0-AP-RP/ASOC.1967-A0-0170/690010FR, 'Rapport sur l'avis de la Commission des Communautés Européennes au Conseil (doc. 91/69) sur la réforme du Fonds social européen', 4 December 1969, rapporteur Lulling.

[259] See the different interventions in AHPE, PE0-AP-DE/1969-DE19691209-039900FR, 'Séance du 9 décembre 1969 – Réforme du Fonds Social Européen'; complementary opinion report of the Economic Committee annexed to the EP Economic Committee, opinion annexed to AHPE, PE0-AP-RP/ASOC.1967-A0-0170/690010FR, 'Rapport sur l'avis de la Commission des Communautés Européennes au Conseil (doc. 91/69) sur la réforme du Fonds social européen', 4 December 1969, rapporteur Lulling.

[260] The Social Affairs committee of the EP organised a hearing on 29th October 1969 in Brussels, which involved the organisations accredited by the EC: the Union of Industrial and Employers' Confederations of Europe (UNICE), the European Centre of Employers and Enterprises providing Public services (CEEP), the Comité des Organisations Professionnelles Agricoles de la CEE (COPA), and the Union des Artisans de la CEE (UACEE) on the side of employers; the European Confederation of Free Trade Unions of the Community (C.I.S.L.), the Organisation Européenne de la C.M.T., and the C.G.T./C.G.I.L permanent Committee on the side of the workers. AHPE, PE0-AP-PV/ASOC.1967-

In fact, the EP and the Commission were deeply disappointed when the Council adopted its decision on the reform of the Fund on 1 February 1971 (coming into force on 1 May 1972), which specified that at least 50% of the Fund's aid should be geared to supporting the member states' employment policies against structural and technical unemployment.[261] It was precisely this aspect of the Council's decision that Mechi described, with good reason, as the more 'social' orientation of the reformed ESF. It was supposed to advantage Italy by gearing aids towards depressed regions of the Community, therefore initiating a relative redistributive function and 'regionalisation' of the Fund's intervention.[262]

Of course, the declared social objectives of the reform as envisioned by the Commission and the EP were to promote full and better employment, to enable a more even development throughout the Community, and to encourage social solidarity between the member states. The means designed to achieve these goals however, were in line with the conception of 'social policy' that had dominated European integration institutions since WWII: a pro-market social policy that assumed that social progress would derive from economic development. Although the members of the Social Affairs Committee of the EP saw the reform as the first step towards the assertion of a 'modern social policy' at European level – merging economic and social action as one indivisible task – in actuality, to a significant extent it still reflected the same productivist conception of the ESF and European social policy. Even though more importance was given to 'social policy' at EC level, this debate revealed the emergence of a rather specific and ambiguous notion of European

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ASOC-196910290010, 'Compte rendu analytique de la réunion du 29 octobre 1969 - Exposés des représentants des organisations d'employeurs et de travailleurs'.

[261] 'Décision du Conseil du 1er fevrier 1971 concernant la reforme du Fonds social europeen (71/66/CEE)', *Journal Officiel de la Communauté Européenne*, n° L/28, 4 février 1971. The decision established two different categories of intervention, under Article 4 and Article 5 of the Regulation respectively. Operations pursuant to Article 4 aimed at supporting Community policies and at matching labour demand and supply within the Community, while the operations under Article 5 aimed at supporting the member states employment policies against structural and technical unemployment. According to the Council's decision, at least 50% of the aid would have to be devoted to the operations pursuant to article 5. See the EP's resolution: AHPE, PE0-AP-RP/ASOC.1967-A0-0066/710001, 'Résolution portant avis du Parlement Européen sur les propositions de la Commission des Communautés Européennes au Conseil relatives : I. à un règlement d'application de la décision n° 71/66/CEE du Conseil du 1er Février 1971 sur la réforme du Fonds social Européen ; II. À une décision du Conseil portant application aux départements français d'outre-mer des articles 123 à 127 inclus du traité CEE', 9 June 1971.

[262] On the 'regionalisation' of the ESF, see Jeffrey J. Anderson, "Structural Funds and the Social Dimension of EU Policy: Springboard or Stumbling Block?", in Stephan Leibfried, Paul Pierson (eds.), *European Social Policy: Between Fragmentation and Integration,* Washington D.C., Brookings Institution, 1995, pp. 123-158.

social policy, understood both as a condition and as an instrument for a performing European economy.

The mainstay of 'boosting instead of repairing' reflected above all a strong emphasis on economic efficiency as the fundament of social progress.[263] The most far-reaching measures advocated by the Commission and EP followed this conception of social policy. For instance, extending aids to new categories of workers allowed for an increase of the workforce available and in professional mobility from one sector to another – e.g. from agriculture to industry.[264] In the same vein, building workers' housing on the model of the ECSC would facilitate the geographical relocation of labour. The proposal to maintain workers' revenue for a six-months period in case their jobs were terminated would facilitate industrial restructurings by defusing workers' discontent – therefore decreasing risks of social conflict, strikes, blockings, etc.

Indeed, and perhaps more importantly, the debates of the EP reveal the essential and pressing objective underlying the reform of the ESF and the political consensus about the need to develop the social aspect of the EC. When presenting the resolution proposal in front of the chamber on 9 December 1969, the social-democrat MEP and rapporteur Lulling explained:

> Les troubles graves, la paix sociale menacée dans plusieurs de nos Etats membres, où les déséquilibres sont particulièrement apparents et où le manque de justice sociale et le manque de repartition équitable des revenus engendrent depuis des semaines à nouveau des extrémismes de droite et de gauche devraient faire réfléchir tous ceux qui, dans leur Etat ou dans la Communauté, ont empêché ou empêchent encore la prise en considération des exigences d'une politique de justice et de progrès social.

[263] Concretely, this meant that aid granted by the Fund should henceforth be released before the activities it supported – vocational training or retraining, relocation, and so on – took place. It also meant, more importantly, that potential beneficiaries of the Fund's intervention should be identified before the 'difficulties' arose and oriented towards sectors and regions that needed to adapt to structural changes. By so doing, the Fund could help "surpass Europe's handicap in the face of growing concurrence and technical progress" and cope with the new requirements stemming from the integration of the Community and from growing global liberalisation of trade. This conception of social policy is particularly palpable in the main EP debates on the reform of the fund: AHPE, PE0-AP-DE/1969-DE19691209-039900FR, 'Séance du 9 décembre 1969 – Réforme du Fonds Social Européen'.

[264] Therefore, for instance, the EP's insistence on enlarging the ESF to self-employed and workers who left agriculture was particularly significant at a moment when the Community's agricultural policy was undergoing important modifications. In 1968, then Vice-President of the European Commission, Sicco Mansholt, launched a controversial plan for the reform of the Common Agricultural Policy – the so-called 'Mansholt Plan'. The plan advocated a restructuring and modernisation of the agricultural sector and aimed at encouraging a large number of workers to leave agriculture.

> Cela devrait faire réfléchir aussi tous ceux qui ignorent la prise en considération des conséquences de la politique économique dans les domaines de l'emploi et des conditions de vie et de travail. Les conséquences de l'apartheid de la politique sociale et de l'emploi risquent d'ébranler non seulement la paix sociale dans nos Etats membres, mais aussi l'édifice communautaire, dont le développement harmonieux ne saurait être assuré si l'on continuait à faire abstraction de la nécessité d'instaurer entre les Etats membres une solidarité sociale active à côté de la solidarité dans le domaine économique et conjoncturel.[265]

It is clear from this excerpt that the purpose of this sudden social awakening of European political elites was, at least in part, the re-stabilisation of the post-war social and economic *'consensus',* that for the first time seemed to be seriously challenged by the so-called 1968 events. One could see in these new social efforts the expression of a design to prevent social unrest. In the context of the time, the reform of the ESF and the greater attention to social partners was clearly articulated with the need to acquire greater assent form European populations and to trigger a new attitude among the workers towards the European system.

A striking characteristic of the debates on the reform of the ESF was precisely the absence of real *debate* – of conflict – between the different political representatives and groups in the Parliament. Certain internal power dynamics of the EC's institutions, such as the EP's tendency to seek unanimity in order to increase the authority and weight of its resolutions, partly explain this cohesion.[266] The working documents of the Social Affairs Committee and the debates of the plenary chamber attest to a strong consensus between MEPs, and especially between the leading groups of the centre and moderate Left – Liberals, Christian Democrats, Socialists and Social Democrats. They all welcomed the reform project, pleaded for a more efficient and empowered ESF, for increased managing competences for the Commission and social partners within the Fund's Committee, and for a closer association of the EP to the policy-making of the new Fund through consultation on proposals for implementing regulations, on budget proposals, and on yearly assessment reports. Rather than ideological, the only divergences that emerged in these debates ran along national

[265] Lulling's intervention in AHPE, PE0-AP-DE/1969-DE19691209-039900FR, 'Séance du 9 décembre 1969 – Réforme du Fonds Social Européen'.
[266] Roger Scully, *Becoming Europeans?: Attitudes, Behaviour, and Socialization in the European Parliament* (Oxford ; New York: Oxford University Press, 2005); S. Hix, A. Noury, and G. Roland, "Dimensions of Politics in the European Parliament," *American Journal of Political Science* 50, no. 2 (2006): 494–520; Gfeller, Loth, and Schulz, "Democratizing Europe, Reaching out to the Citizen?"

lines.[267] Besides, there is no trace of any significant discussion within the Left on the reform of the ESF; the positions of the socialist and social-democratic MEPs seem to have been taken somewhat spontaneously within the parliamentary committees.[268] Lastly, even the more far-left MEPs of the assembly seem to have supported the reform.[269]

Ultimately, the reform decided by the Council only partially complied with the Commission and EP positions. The introduction of a distinction between activities pursuant to Article 4 – *a priori* interventions supporting Community policies – and Article 5 – *a posteriori* interventions supporting Member States' structural and technical priorities – only allowed for a very moderate increase in the managing powers of the Commission. It did not make any commitment to increase the resources of the ESF, but did however leave open the possibility for the Commission to later propose increasing the resources of the ESF in its general budget proposals.[270] As regards the association of social partners within the Committee of the ESF, they did not obtain the right to choose their own representatives, nor were they awarded more than a consultative status. All in all, according to Gobin, with its February 1971 decision the Council strengthened its grip over the management of the ESF.[271] As for the EP, it would eventually obtain the right to be consulted on the Fund's implementing regulations, on budget proposals and on the annual reports that the

[267] Especially between those who wished the Fund to exclusively be an instrument to accompany community policies and those, like Italian MEPs who wanted the Fund to help member states catch up on their structural development. Particularly illustrative are Girardin's and Galli's interventions in AHPE, PE0-AP-DE/1971-DE19710609-039900FR, 'Séance du mercredi 9 juin 1971 - Règlement concernant la réforme du Fonds social européen – Décision concernant les départements français d'outre-mer'.

[268] This could be explained by the fact that, as explained in the previous chapter, until the early 1970s institutional structures of the GSPE and CSPEC lacked coordination and had next-to-no authority to decide on a common European policy.

[269] There is no trace of interventions of the members of the PCI in the debates about the reform of the ESF after they joined the assembly. The most far-left MEP who took the floor was a member of the PSI, Tullia Carettoni Romagnoli, who expressed the support of the non-inscrits to the reform and insisted that social partners should be truly associated to the EC's decision-making. MEP Carettoni Romagnoli au nom des non-inscrits, in AHPE, PE0-AP-DE/1971-DE19710609-039900FR, 'Séance du mercredi 9 juin 1971 - Règlement concernant la réforme du Fonds social européen – Décision concernant les départements français d'outre-mer'.

[270] Collins, *The European Communities*, 70–77.

[271] For her analysis of the institutional stakes of the 1971 reform of the ESF, see Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 400–401. But compare to Warlouzet's analysis that "Sur le plan institutionnel, la réforme communautarise le dispositif, en donnant aux institutions supranationales plus de pouvoirs dans la définition des critères et dans l'attribution des financements". Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 86–87.

Commission was charged to draft.[272] In subsequent years, the Fund's operation was effectively extended to new categories of workers according to the economic situation of the common market.[273]

In sum, the reform of the ESF helped improve its efficiency and scope for intervention. Applications for aid from the social Fund grew, and its budget was augmented. At the end of the first year of activity of the renewed Fund, 150 million units of account had been granted, which surpassed the amount of aid granted during the previous ten years of activity of the old Fund.[274] However, the new ESF would soon prove inadequate as it faced the new context of the post-1973 economic recession. Overall however, the reform of the Fund did not entail a fundamental reorienting of the scope of 'European social policy', nor of the way socialist parties and trade unions envisaged the EC's role regarding social progress. A similar analysis can be made about the concomitant efforts to raise the EC's 'social dimension' by increasing workers' participation in economic and social decisions through the institutionalisation of European 'social dialogue'.

Institutionalising 'social dialogue'? The Standing Committee on Employment and the EMU

Another fundamental issue raised at the turn of the 1970s was the question of the association of social partners with the Community's policy-making. The trade unions organised at EC level (especially the EFTUC) had been repeatedly insisting they become formally involved in the EC's decision-making process since its creation,

[272] Article 6 of the European Council Regulation of 24 April 1972, in *Official Journal of the European Community*, 28 April 1972, pp. 353-355.
[273] On 9 November 1972, a decision of the Council opened the Fund's intervention in favour of persons who were previously, directly or indirectly, employed in agriculture and wished to start an extra-agricultural activity. The same day, another decision of the Council extended the Fund's intervention to persons occupied in the sectors of textile and clothing. In 1974 the Fund was also extended in favour of the social and occupational integration of the disabled, as well as of workers moving from one Community country to another. Finally, the next categories of workers who benefited from an extension of the intervention of the Fund under Article 4 were those employed in the sectors of textiles and chemical fibres. Leboutte, *Histoire Économique Et Sociale De La Construction Européenne*, 658.
[274] This trend was particularly favoured by the April 1970 Luxembourg treaty amending the Treaty of Rome in respects to powers over the Community budget, which gave the EP the last word on the EC's "non-compulsory expenditures" and the Own Resources Decision of 21 April 1970, which provided the EEC with its own resources. Mechi, "Les Etats Membres, Les Institutions et Les Débuts Du Fonds Social Européen," 114–16.

with very little satisfaction.[275] In substance, the EFTUC demanded the substitution of mere *consultation* of social partners (in the different joint and tripartite consultative committees and informal meetings) with real institutionalised and binding *participation* in decisions.[276]

At the end of the 1960s, the Commission took new initiatives in the field of employment policy; the completion of the Common market raised new concerns regarding its potential impact on employment. In 1969 the commitment of the heads of state to a political *relance* of European integration, sought, among other things, to engage negotiations for economic, monetary and financial cooperation; to reform common policies; and to solve the democratic 'deficit' of the EC by increasing the powers of the EP, resuming majority voting in the Council, and by associating 'social partners' more closely with the EC's institutions.

On 21 December 1967, EC-level employers' and workers' organisation had already submitted a memorandum in which they asked the German Labour and Social Affairs Minister Hans Katzer, since West Germany was then presiding the Council of Ministers, for the organisation of a tripartite conference to discuss employment problems in the Community. They also demanded the creation of a permanent tripartite body on employment, including social partners, Commission and governments' representatives.[277] The European Parliament, who at the time was trying to intensify its direct collaboration with social partners through the organisation of hearings, supported their claims.[278] On several occasions it demanded the

[275] For a detailed overview of the SSE/EFTUC's struggle to increase unions' participation in the EC's institutions from 1958 to 1969, see Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 193–298. The union's attempts were initially geared mainly towards the Commission, but encountered mounting obstacles imposed by the Council.

[276] Note that until then, the Commission had no systematic contact with social partners organised at the European level, but only with sectorial and national representatives of unions and employers, as well as Commission representatives and and labour Ministers. Several tripartite or bipartite ('joint') consultative committees like the Social Fund Committee had been created by treaty or Council decisions. See Anne Dufresne, "The Evolution of Sectoral Industrial Relations Structures in Europe", in SALTSA (Program), *The European Sectoral Social Dialogue: Actors, Developments, and Challenges*, ed. Anne Dufresne, Christophe Degryse, and Philippe Pochet, Work & Society, no. 55 (Brussels ; New York: Peter Lang, 2006), 49–81 in particular the detailed table summarising the different joint Committees on social problems, pp. 78-81; See also a table in Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 355.

[277] AHPE, PE0-AP-PV/ASOC.1967-ASOC-196802150020.EP, 'Procès-verbaux des commissions parlementaires - Compte rendu analytique de la réunion du 16 février 1968'. The meeting took place on 21 December 1967 between the UNICE, CISL and CISC and Hans Katzer, Labour and Social Affairs Minister of the German Federal Republic.

[278] Towards the end of the 1960s, the Social Affairs Committee organised several hearings of social partners, especially on topics where the Commission had not consulted the organisations. This responded to a demand of the organisations themselves to foster closer links with the EP. In 1968, two

organisation of a tripartite conference on employment and advocated for the creation of a permanent tripartite 'European Employment Council'.[279] The Commission supported this idea, provided that the new body would stay, like the other committees, under its direct management.

Within the perspective of the *relance* following The Hague, the Italian government voiced its concerns about the potential economic consequences of new European initiatives – including the introduction of value added tax (VAT) and plans for monetary integration – and supported closer association of social partners in the definition of a stronger employment and social policy at EC level.[280] The idea that employment problems could no longer be tackled exclusively at national level was spreading.

Consequently, a first Tripartite Conference was held in Luxembourg on 27-28 April 1970, after intense negotiations about the repartition of the seats between workers' and employers' organisations.[281] It included trade unions and employers' representatives, members of the Commission, as well as the Labour Ministers of the 'Six' and government experts. The conference inaugurated a new form of social dialogue at EC level and stirred a new debate on employment and social issues in the Community. The European unions formally asked for the creation of a permanent tripartite body in charge of defining a common employment policy. The Italian

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hearings took place within the EP Asoc committee to discuss the social partners' aim of organising a tripartite conference to discuss employment, and the Commission's annual account on the social situation in the Community in 1967. In 1969 another hearing was organised regarding the reform of the ESF. During these hearings, the organisations repeatedly voiced their claim for the organisation of a tripartite conference and the creation of a permanent body on employment. AHPE, PE0-AP-PV/ASOC.1967-ASOC-196804190010PE, 'Procès-verbal de la réunion du 19 avril 1968'; AHPE, PE0-AP-PV/ASOC.1967-ASOC-196910290010.PE, 'Compte rendu analytique de la réunion du 29 octobre 1969 - Exposés des représentants des organisations d'employeurs et de travailleurs'.

[279] AHPE, PE0-AP-RP/ASOC.1967-A0-0043/700001.EP, 'Résolution sur la réforme du Fonds social européen', 15 May 1970.

[280] According to Varsori, following Italy's 'hot autumn' of 1969, the trade unions had reinforced their cohesion and exerted a much stronger influence on the government; The Italian Minister of Labour, the Christian Democrat Carlo Donat Cattin, had close ties with the Italian trade union CISL. Antonio Varsori, "La questione europea nella politica italiana," in *L'Italia repubblicana nella crisi degli anni Settanta: Tra guerra fredda e distensione*, ed. Agostino Giovagnali and Silvio Pons (Soveria Mannelli: Rubbettino Editore, 2003), 331–50.

[281] The Council had reached an agreement to invite, on the trade union side, the three trade union structures organised at Community level (EFTUC, EO-WLC, CGT/CGIL) as well as other organisations like the French CFDT and the German DAG (Deutsche Angestellten-Gewerkschaft). On the side of the employers, a liaison committee was created jointly by UNICE, COCCEE, UACEE and the European insurance committee. COPA and CEEP were also invited. This agreement did not meet the desires of the EFTUC, who demanded proportionality in terms of numerical affiliation/number of seats. This created recurring disputes throughout the 1970s. Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 382–84.

delegation led by Donat Cattin and the Commissioner Levi Sandri supported these claims and called for stronger Community action to promote employment. The conference led to a declaration of the intention of the participants to henceforth organise tripartite conferences on a frequent basis.[282]

The main outcome of the conference was the creation of the Standing Committee on Employment (SCE), effected in a decision by the Council on 14 December 1970. In principle, the SCE was to meet twice a year and to become the first permanent body where social dialogue on employment could take place at Community level. It was the first time in the history of the EC that trade unions, including communist trade unions, obtained the right to sit next to the Labour ministers and the Commission. What is more, this right applied *before* decisions were taken.[283] However, due in part to an institutional conflict between the Commission and the Council over the control and supervision of the committee, the SCE was not granted more than a consultative role; its task remained rather vague and limited to "*assurer de façon permanente (...) le dialogue, la concertation et la consultation (...) en vue de faciliter la coordination des politiques de l'emploi des Etats membres en les harmonisant avec les objectifs communautaires*".[284]

Consequently, during the first two sessions of the SCE, on 18 March and 27 May 1971, none of the national leaders of the seven organisations constituting the EFTUC were present at the table with the ministers; the first years of existence of the SCE were thereafter marked by disputes over the repartition of seats between the

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[282] The General Secretary of the EFTUC Théo Rasschaert presented a proposal for a common declaration establishing the creation of a new permanent tripartite body in charge of defining a common employment policy. Except for the CGT-CGIL, the other employers' and trade unions' organisations reacted very positively to his proposal and corroborated the demand. Gobin, 382–83. For detailed accounts of the creation of the Standing Committee on employment, see also Guasconi, "The Origins of the European Social Policy: The Standing Committee on Employment and Trade Unions"; Paulus, *La Creation Du Comite Permanent de L'emploi Des Communautes Europeennes*.

[283] For the first time, social partners' organisations would be free to designate their representatives in the new body. Note however that the Council ignored the EFTUC's demand that only trade union organised at EC level should be represented. Out of 18 seats, 9 were given to the EFTUC, 4 to EO-WLO, 2 to the CGY-CGIL permanent committee, 1 to CIC, 1 to CFTC, and 1 to DAG. It is worth noting that the composition chosen for the SCE thus institutionalised for the first time the participation of communist trade unions at the Community level. Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 390–408. See in particular, for this specific episode, Gobin pp. 388-390.

[284] Council Decision 70/532, *JO* L 273, 17 December 1970. Moreover, contrary to the demands of the 'social partners', the aforementioned Council decision on the reform of the ESF, which was adopted concomitantly to the decision on the status of the SCE, did not place the Committee of the Fund under the supervision of the SCE. Guasconi, *L'Europa Tra Continuità E Cambiamento*, 149–72.

social partners, which seriously hindered its activity during the whole decade.[285] As a result, what could have been an important step towards increased involvement of social partners in the decision-making of the EC turned out to be a missed opportunity and lead to further deterioration of the relations between the social partners (especially the unions) and the Council and Commission.[286]

Despite their quite meagre outcomes in terms of actual improvement of the participation of trade unions in the EC's decision-making, the episodes of the Tripartite Conference on Employment and the creation of the SCE, just like the reform of the ESF, encouraged intense activism on the part of European unions. Nonetheless, it is important to note that this engagement was almost exclusively focused on claims for institutional reforms.[287] They made claims regarding the reform of the ESF and the creation of a common employment policy, such as a more efficient common labour market to guarantee full and better employment and the right to work, more adequate vocational training services and other measures such as providing aid during periods of unemployment, or better coordination of existing Community tools (BEI, ESF, etc.) and to create a European office for the coordination of national employment services. These claims remained subordinate to institutional reform claims.[288]

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[285] The attitude of the unions, according to Gobin, was motivated in part by disappointment towards the European integration process (and its recurrent crises), on the part of the attitude of the leaders of the trade unions at European level (at that point Théo Raschaert, General Secretary, and Walter Braun, Alfred Misslin, and Carlo Savoini as political Secretaries) who tended to treat European matters as their 'private garden' and failed to circulate information efficiently to the national and local levels. This in turn had the effect of allowing the image of the EFTUC to deteriorate, whose true representativity was at times questioned by the Commission and Council. Moreover, the attitude of the British TUC, which was fighting actively against accession to the EC during the 1970 campaign, was challenging the representativeness of EFTUC. Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 405–8.

[286] After the enlargement of the EC in 1973, due to disputes over unequitable distribution of seats among unions, the EFTUC/ETUC refused to participate in any further meetings of the SCE until in 1975 the Council decided to revise its rules on seats distributions. Guasconi, "The Origins of the European Social Policy: The Standing Committee on Employment and Trade Unions," 308.

[287] The EFTUC wanted a SCE that would coordinate the already existing tripartite committees (including the ESF committee) and would have own initiative and management powers. It wanted the SCE to be granted a prevailing role in managing the reformed ESF – thus deciding for instance which regions, sectors, and categories of workers would receive aid. Moreover, the EFTUC saw in the reform of the Fund and the creation of the SCE an opportunity to establish a chain of mandatory social consultation from local level – where demands for ESF aid came from – to 'European' decision level, which in its view was key to democratising the EC and increasing trade unions' vertical coordination from local to European level – a European integration (or 'Europeanisation') of trade unions. This idea was supported by the EP. AHPE, PE0-AP-DE/1969-DE19691209-039900.EP, 'Séance du mardi 9 décembre 1969 - Réforme du Fonds social européen'.

[288] Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 386.

The same appraisal can be made regarding the unions' claims for the EMU. Indeed, at the time another important evolution drove the Community to rethink its social dimension: the preparation of the economic and monetary union. The Werner Committee set up by the Council on 6 March 1970, which was presided over by the Luxembourg Christian-social (CSV) Prime Minister Pierre Werner, was working on drafting a plan for the creation of the EMU in stages, over ten years. It drew on previous work on the creation of the EMU, in particular the Commission's first and second 'Plans Barre', released in February 1969 and March 1970 respectively, due to impetus from the French Gaullist Vice-President of the Commission in charge of Economic and Financial Affairs, Raymond Barre.[289]

Initially, the trade unions (just like the socialist parties of the EC) were enthusiastic about the creation of the EMU, which they saw as an opportunity to institutionalise a closer participation of 'social partners' in Community decisions, a democratisation of its institutions, and a redefinition of its economic, monetary and even fiscal orientation in accordance with the interests of European workers. In the first half of 1970 however, during the preparatory works on the creation of the EMU, the EFTUC voiced criticisms about the absence of social measures and the lack of consideration for institutional democratisation in the projects that were being drafted. On 13 May 1970, for instance, the EFTUC published a press release entitled: '*Union économique et monétaire, OUI, mais avec la participation des travailleurs*'. In this document, EFTUC advocated that the creation of the EMU should come about hand in hand with increased association of workers' representatives to Community decisions and a significant institutional democratisation of the EC. It made a series of demands including the creation of a tripartite committee with a binding say in the creation of the EMU.[290]

Although the EFTUC punctually voiced new demands that went beyond institutional questions – invoking the implementation of fiscal harmonisation at

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[289] On the trajectory of Pierre Werner, on the preparatory works and on the Werner Report, see Elena Rodica Danescu, "Le « Comité Werner » : nouvelles archives," *Histoire, économie & société* 30e année, no. 4 (February 1, 2012): 29–38.

[290] The EFTUC demands also included: the creation of bi-annual bipartite discussions between employers and trade unions to discuss relations between economic/monetary policies and social policy. Subsequently, it released other documents insisting on the need to democratise EC institutions in view of the creation of the EMU including: direct elections and more powers to the EP; creation of a tripartite committee on social security; creation of sectorial bipartite committees in the different sectors of Community policy; reforming the Economic and Social Committee, and so on. See Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 409–17.

Community level in order to generalise direct *progressive* taxation throughout the Community, and measures against fraud and fiscal evasion at EC level – it remained in the background. It did not at any point put forward a detailed programme of economic and monetary measures that it considered the conditions of the creation of the EMU. In those years its attention remained geared towards institutional questions, both regarding increasing participation in EC institutions and regarding reforming its own internal organisation and coordination with other trade union confederations.

The Werner report, adopted in October 1970, included a section calling for a strengthening of consultation of social partners prior to the definition of common policies.[291] Although it remained limited to mere 'consultation' and remained rather vague on its application, the report expressed a novel will to associate 'social partners' with the Community's policy making even regarding *economic* policy, something that was unprecedented for the EC. Nevertheless, for a series of reasons pertaining to rising instability in the European and international monetary system, the Werner Plan adopted by the Council in February 1971 was to quickly run into difficulties and was eventually abandoned in the following years.[292] Around that time however, the unions became able to express their views about economic policy – in relation to the establishment of the EMU – through the intensification of informal contacts with the Commission.[293]

[291] "La cohésion de l'union économique et monétaire sera d'autant mieux assurée que les partenaires sociaux seront consultés préalablement à l'élaboration et à la mise en œuvre de la politique communautaire. Il importe de mettre au point des procédures permettant d'assurer à de telles consultations un caractère systématique et continu". 'Rapport au Conseil et à la Commission concernant la réalisation par étapes de l'union économique et monétaire dans la Communauté' (rapport Werner), Luxembourg, 8 Octobre 1970, supplément au *Bulletin des CE* 11/1970, p. 12. According to Frédéric Lebaron, this was the first example of austerity and neo-liberal policy opening at Community level. Frédéric Lebaron, "La Croyance Économique Dans Le Champ Politique Français," *Regards Croisés Sur L'économie* 1, no. 18 (2016).

[292] In any case the Council decision of 9 February 1971 fell short of the unions' demands and only mentioned the 'consultation' with social partners in the framework of the already existing ESC. The failure of the Werner plan was closely linked to the rising instability of the international monetary system during the early 1970s, as will be explained in more detail in the next chapters. Record US trade balance deficits in 1970 and 1971 (in part related to the expenses brought about by the American war on Vietnam) led the US government to suspend the convertibility of the dollar in gold on 15 August 1971, and to devalue the US dollar by 7,9% in December of the same year. This was followed by the adoption by Western countries of a margin of monetary fluctuation of + or – 2,25% around the US dollar, which marked the end of the monetary stability that had been a theoretical principle of the Bretton Woods system created in 1944. These evolutions contributed to increasing inflationary tendencies and monetary fluctuations in the EC member states during the 1970s, which compromised the EMU and led to its virtual abandoning until the late 1970s.Mourlon-Druol, *A Europe Made of Money*, 22–24.

[293] This was encouraged by an initiative of Raymond Barre, Vice-President of the Commission in charge of Economy and Financial Affairs from 1967 to 1973, to organise informal dinners at least

It is hard to assess the actual influence the unions were able to exert overt the Commission through these informal contacts. What is clear however is that at this point the unions (at least in the case of the EFTUC) were not able to get much further than their institutional reform strategy in order to formulate a broad, fully-fledged economic and monetary programme in line with their social and employment objectives. When the EFTUC organised a yearly Assembly entirely dedicated to the question of the EMU in October 1971, most discussions centred on this democratisation of the institutional problem. Even its '*Propositions de la CESL pour la solution de la crise monétaire*', released a month later, were limited to advocating measures to reinstate stable monetary parity, proposing a profound reform of the IMF and mandatory institutionalised consultation with trade unions at EC level regarding economic and monetary policy. They did not put forward proposals concerning the substance of the economic and monetary policies to be pursued by the EMU.[294]

All in all, the discussions that took place at EC level at the turn of the 1970s regarding the *relance* of European integration after The Hague all showed a certain incapacity on the Left – principally socialist parties and unions – to think about the 'social dimension' of the EC beyond democratising its institutions and rebalancing its common policies within a more efficient 'European social policy'. They hardly went beyond what was still a very narrow conception of social policy, and certainly did not bring about an alteration of the political economy of European integration as broadly defined in the first chapter of this work. These incipient efforts allowed only scant achievements. The reform of the ESF, the creation of the SCE, and the early plans for the creation of the EMU only very partially improved the association of the trade unions with the EC's decision-making, and ended in a relative stalemate of the so-called 'social dialogue'. The reformed ESF that came into force in 1972 was certainly

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twice a year with representatives of the workers' and employers' organisations accredited by the Community. The dinners, which started after October 1970, offered an opportunity for its participants to discuss at length, in an informal context, and directly with the Vice-President of the Commission all economic aspects facing the Community. It was the first time that, although informally, the 'social partners' were able to exchange their views directly with the Commission about Community perspectives in the economic and monetary fields. According to Degimbe, those meetings were greatly valued by its participants, the leading figures of the employers' and workers' confederations of the six member states, who would fly from their respective countries each time for the occasion. The 'tradition' was abandoned after Barre left the Commission in 1973. Degimbe, *La Politique Sociale Européenne*, 202–4.

[294] Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 416–22.

more efficient than the old one, but it was still primarily geared to stimulating employment and favouring economic restructuring.

However, those different episodes saw the emergence of a general political consensus on the need to broadly improve the social dimension of the EC and of European integration. It accompanied the parallel emergence, during the early 1970s, of a new political will to reorientate the EC along the lines of a *socialist* Europe. Indeed, a so-called 'new social wind' was rising in the Community sphere, which came mainly from the German social-democratic government of Willy Brandt, and from the perspectives that the upcoming enlargement of the Community created for socialist parties in Western Europe.

3. A 'new social wind'[295]

In parallel to these new debates on the Community's social dimension, and with the stir of the social turmoil of the late 1960s and early 1970s, a new political project for a 'social' European integration took shape after 1969. In a sense, in December 1972, the Paris Summit would mark the consecration of this new project, which relied on a reorientation of the EC as a privileged tool to build a new Europe at the vanguard of social progress and democracy in the world. The project matured with the definition of a new vision of Europe – 'social Europe' – that was gradually defined in this new context during the early years of the decade.

Brandt, the SPD and European policy

A key actor in picking some of the main ingredients of the emerging idea of 'social Europe' was FRG Chancellor and leader of the Social Democratic Party of Germany (SPD) Willy Brandt. The notions of European social policy and social Europe were both absent from the SPD's programme when Brandt first acceded to his position in 1969. As mentioned in chapter two, in his speech at The Hague Summit in December of that year, Brandt made no mention of social policy; he merely noted the need for vague 'solidarity' within the Community. At the time, the priorities of the new centre-

[295] The expression was used by former General Director for Social Affairs of the Commission, Jean Degimbe, during an interview with the author in November 2015, in which he described the months surrounding the 1972 Paris summit as a time when a 'new social wind' was blowing in the EC.

left German government regarding European policy were centred on enlargement, foreign policy and East-West rapprochement, and the creation of the economic and monetary union (EMU).[296] After the European *relance* resolved on in The Hague, however, new perspectives were opening, which encouraged the German government to put forward a more 'social' project for the EC. The prospective enlargement (to the UK, Ireland, Norway and Denmark) raised new possibilities for the redefinition of the EC along social-democratic lines. Plans to deepen integration – in particular the creation of the EMU – raised new problems and exigencies in the social field.

A close look at the speeches and interviews that Brandt gave in national and international settings shows how he gradually defined his vision of European integration and its social dimension after 1970. At the May 1970 SPD Congress in Saarbrücken, for instance, Brandt stated that economic progress encouraged by the EC could only be deemed valuable if geared towards achieving greater social progress for European citizens. He insisted on the need to create a common regional policy to correct regional inequalities, and supported the idea of greater inclusion of social partners at EC level – which would be favoured by the prospective accession of the Scandinavian countries, UK and Ireland, who had a deep experience of 'social dialogue'. In October 1970, in a speech to the EFTUC General Assembly, Brandt adopted a position in favour of a more 'social' Community, with increased participation of trade unions, the definition of a new ESF and a common employment policy. In November of the same year, at the Bundestag, he explained his view that before the end of the decade the Community should become the promoter of a progressive social policy and of an efficient policy of vocational training.[297]

These ideas were in line with the *air du temps* – the claims for strengthening the association of social partners with Community structures, as well as the need for an efficient employment policy relying on a better-defined ESF and vocational training, were views that had recently spread among European elites, as shown in the previous section. Brandt's vision of the Community's social dimension went a step further however. From May 1970, in Saarbrücken, he invoked the need to surpass 'business Europe' (*"Europa der Geschäfte"*) and to create, before the end of the decade, "the largest progressive social area in the world". The prospective

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[296] See Willy Brandt's declaration at the conference of heads of state and governments of the CEE in The Hague, 1 December 1969, for instance in Wilkens, *Willy Brandt et L'unite de l'Europe*, 453–63.
[297] Sylvain Schirmann, "Willy Brandt et les débuts de l'Europe sociale, 1969-1974", in Wilkens, 313–14.

enlargement nurtured higher hopes of consolidating in Western Europe a model of progressive economic and social organisation for the world.[298] This notion was quickly taken over by the members of the SPD and made its way to the institutions of the EC, where German officials and MEPs insisted that the Community had to become a "model for social progress" if it were to ever play a leading and determining role on the international scene.[299]

Gradually, Brandt and his close collaborators defined their vision more precisely, and went beyond the narrow definition of European social policy. From 1971, the Chancellor emphasised that the EC's 'deepening' could only be envisaged if the social dimension of the Community was reinforced and became a common policy *per se*. A series of new issues were progressively included in his vision of the realm of Europe's social policy, from urban planning; housing conditions; transport; and the living conditions of migrant workers, to environmental problems; public health; development of the Third World; inter-generational dialogue; and 'conscious' (responsible) growth.[300] In Brandt's view and in the view of his government, 'Europe' – understood as the European Community – needed henceforth to put all these questions on its agenda.

The German government's determination to promote a new model of European integration emphasising the social dimension was driven by several factors. It was perhaps motivated in part by Brandt's personal European convictions, but mostly followed from the internal and external political context of the early 1970s – the SPD's will to implement its Bad Godesberg programme, the context of détente and of *Ostpolitik*, some internal criticism of its European policy, among other factors.

An important drive was the German government' commitment to the SPD's Bad Godesberg programme: embedding the market economy within social progress. After the foreign policy successes of the first years of Brandt's government, new emphasis was placed on implementing co-management (*'Mitbestimmung'*), improving living conditions, and enhancing vocational training. At the time, the German conception of social democracy relied strongly on the project of associating workers

[298] Wolfgang Kowalsky, *Europäische Sozialpolitik: Ausgangsbedingungen, Antriebskräfte Und Entwicklungspotentiale*, Grundlagen Für Europa, Bd. 4 (Opladen: Leske + Budrich, 1999), 387–88.
[299] There are many occurences of this in the documents. For instance Behrendt's intervention, AHPE, PE0-AP-DE/1970-DE19701006-029900EP, 'Séance du 6 octobre 1970'.
[300] Sylvain Schirmann, "Willy Brandt et les débuts de l"Europe sociale, 1969-1974', in Wilkens, *Willy Brandt et L'unite de l'Europe*, 314.

with economic and political management. Reinforcing this model of social democracy at EC level was therefore in line with the FRG's commitment to the principles of Bad Godesberg. Besides, Brandt probably saw in this an opportunity to tame social contestation in West Germany by promoting association of workers with the EC's decisions.[301]

Indeed, the German European policy proposals of the early 1970s often put forward the German model of corporatism described in the first chapter. With the prospective enlargement to Scandinavian countries, Brandt saw a chance to impose at EC level the social-democratic model of trade unionism based on participation, dialogue, compromise and reform – against, in short, the model of trade unionism based on class conflict that still prevailed in France and Italy.[302] It is worth noting that Brandt was close to German and European trade union spheres. In October 1970, in front of the EFTUC, and in September 1971 in a conference organized by the Confederation of German Trade Unions (DGB) on work councils in enterprises, Brandt gave assurances that the creation of the EMU would be conditioned on a consolidation of European democracy. Participation of trade unions with Community management and policy-making was presented as a condition of the reinforcement of a democratic Europe.[303]

The FRG government's new design for European policy was also motivated by the wider international context of détente and the will to strengthen its *Ostpolitik*. In short, the establishment of social democracy in Europe was seen as a means of stabilizing and consolidating the Western bloc, therefore contributing to guaranteeing détente in Europe and in the world. In May 1970, in his speech at the SPD Congress in Saarbrücken, Brandt explained that the achievement of détente required the creation of a "fair social and economic order" in the West. To this end, he vowed to work in favour of an irreversibly integrated Europe, understood as a large social and democratic area, thanks to the participation of trade unions in the definition and management of new social policy measures. The SPD was therefore starting to

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[T]his is an interpretation also proposed by Warlouzet, who noted that the French and Bristish government were much more reticent. Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 110.

[302] Willy Brandt, *Mémoires* (Paris: Albin Michel, 1990), 371.

[303] Sylvain Schirmann, "Willy Brandt et les débuts de l"Europe sociale, 1969-1974', in Wilkens, *Willy Brandt et L'unite de l'Europe*, 316–17.

present its Western European policy as indissociable from its *Ostpolitik*.[304]

Another consideration that pushed the German government to formulate this new European policy and the project of social and democratic Europe, were the criticisms that came from other political parties – mainly the CDU. They accused the government of neglecting European integration to the advantage of its *Ostpolitik.* Therefore, as early as 17 June 1970, the SPD member, MEP, and at the time Vice-President of the EP, Walter Behrendt presented the government's European policy to the Bundestag. In parallel with the creation of the EMU, he insisted on the objective of implementing fiscal, transport, social, commercial, energy and industrial policies. Behrendt affirmed that the definition of a European social policy was of the utmost importance for the federal government.[305] He went on to call for a democratization of the EC institutions – implementation of majority voting in the Council, increased budgetary and legislative powers to the EP (eventually including the right for the EP to elect Commissioners and Judges of the Court), and more responsibility for the Commission.

All these reasons contributed to bringing the SPD-led government to put forward new demands in the field of European social policy. Aside from supporting the reform of the ESF and the increase of its resources, the federal government pleaded for the harmonisation of national regimes of social security thanks to the creation of a 'European social budget'. The proposal was first submitted to the Commission and Council in the Spring of 1970, by the FRG Labour and Social Affairs minister Walter Arendt. It demanded the creation of a European social budget on the model of the German social budget, a detailed monitoring of the social situation and evolution of social benefits in the Community. This budget assessment should be established by the Commission in collaboration with experts from the member states, and would enable coordination between the economic policies of the EC and national budgets. This would allow for a better inclusion of social requirements when defining economic, financial and monetary policies. Within the framework of the creation of the EMU, this kind of monitoring and coordination tool was indispensable in order to pursue common and similar social objectives. The

[304] The same argument was explained by the SPD member, MEP and future president of the EP (1971-1973) Walter Behrendt in a speech to the Bundestag on 17 June 1970. HAEU, GSPE-51-FR-B, 'Document d'information. Controverse sur la politique du gouvernement allemand à l'égard de l'Est et sur sa politique européenne', 23 June 1970, pp. 36-46.
[305] Ibid.

proposal therefore pointed to the adoption of common objectives for member states in the field of social security.[306]

Preliminary guidelines for a common social policy

Against this changing backdrop, the Commission put forward new proposals in the social policy field, which was its first attempt to define preliminary guidelines for a common social policy that would go much beyond the productivist rationale.

This was concomitant with a new proposal made by the Italian government, which presented a new memorandum on the topic of employment in the Spring of 1971 and urged the Community to take firm action. The document once again stirred a debate between the member states concerning freedom of movement for workers within the Community. Italy resented the German policy that in its view favoured immigration from third countries (such as Turkey and Yugoslavia), instead of Italian workers. Although the memorandum had little immediate impact, it did contribute to encouraging new initiatives on employment issues, as well as on regional imbalances and the need to establish a common regional policy, not least to try to finally bring the problems of southern Italy to a close.[307] Some pressure also came from the ESC, which demanded firmer Community action in the social field, especially regarding employment and vocational training.[308]

Encouraged by these different initiatives, on 17 March 1971, the Commission published a document entitled 'Preliminary guidelines for a Community social policy programme', which sought to launch a Community-wide reflection on the contents of a common social policy programme. The Commission presented its initiative as a response to the commitments taken by the heads of states at The Hague in December 1969. In particular, harmonisation and cooperation in the social field were presented

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[306] HAEU, GSPE-51-FR-B, 'Document d'information. Walter Arendt, ministre fédéral du travail et des affaires sociales, prend une initiative européenne: La création d'un budget social européen', 22 June 1970, pp. 67-68.

[307] Varsori, "La questione europea nella politica italiana," 339–40; Romero, *Emigrazione E Integrazione Europea, 1945-1973*, chap. 4 and 5.

[308] The ESC proposals were put forward by Maria Weber, a member of the Standing Committee on Employment, and included among other things, the setting up of a European Centre for Study on Vocational Training. See A. Varsori, "Towards a History of Vocational Education and Training (VET) in Europe in a Comparative Perspective," in *Towards a History of Vocational Education and Training (VET) in Europe in a Comparative Perspective: Proceedings of the First International Conference, October, Florence, Italy*, Office for Official Publications of the European Communitites, vol. 2, 2 vols. (Luxembourg, 2002).

as conditions for the creation of the EMU. The Commission proposal advocated "the establishment and strengthening of economic and social democracy, involving both the democratisation of economic and social structures and enhancement of the role and independent responsibilities of employers' and workers' organisations at Community level".[309]

Rather than putting forward concrete proposals, the document presented a list of what the Commission identified as priority fields of intervention. The overarching goals of these priorities were full and better employment, greater social justice, and a better quality of life. The seven priorities set out by the Commission were: speedier achievement of the common labour market; absorption of under-employment and structural unemployment; improvement of safety and health conditions at work and in 'life'; equal treatment for women at work; integration of handicapped persons into active life; the establishment of a 'social budget'; and strengthened cooperation with 'social partners'. Regarding the latter point, the Commission advocated promoting contractual relations between the 'social partners' at Community level, with the objective of adopting collective conventions. To achieve these objectives, the Commission recommended setting out a Community strategy relying partly, but not exclusively, on the newly created Standing Committee on Employment and the reformed ESF.

The Commission's proposal did not immediately result in any concrete measures, but it did contribute significantly to the debate. At first, it received lukewarm receptions from the trade unions and employers. The unions considered it too generic to constitute the basis of a true European social policy, whereas the employers considered it too ambitious, rejecting, for instance, the idea of supranational collective conventions.[310] Moreover, social policy once again proved a matter of tension between the Council and Commission, on the issue of the repartition of competences. In the beginning, as a response to the proposal, the Council defined a work programme for the Commission that merely consisted of drafting studies in the

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[309] See 'Orientations préliminaires pour un programme de politique sociale communautaire', 17 March 1971, in *Bulletin des CE*, supplément 2/71, annexe au Bulletin des CE, 4/71. See also the synthesis presented in *Bulletin des CE*, 5/71, pp.13-19.

[310] A consultation meeting to discuss the document was organised by the Commission with the representatives of employers and trade unions on 15 and 16 July 1971. During the meeting, the EFTUC presented a "counter-project" that included claims such as the instauration of the 40-hour working week and 4 weeks holidays, and the adoption of strict rules against real estate speculation; it was received coldly by the employers. See Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 424.

fields of employment, free movement of workers, vocational training, social security, health and security at work, and harmonisation of social statistics. According to Varsori, however, the Commission's proposal and its subsequent studies helped to prompt the member states' governments determination to use Community instruments in order to achieve a number of specific objectives in the field of social policy.[311] Moreover, it testified to new concerns put forward by the Commission, such as the question of greater justice in the distribution of income and wealth; greater equality of opportunities; increased efforts to combat the harmful effects of productive activities on the environment, considered in the light of its social impact; and greater satisfaction of collective needs, for example regarding education, public health and housing.

Enlargement and the new perspective on a 'socialist' Europe

Meanwhile, following the commitments of the member states in The Hague in December 1969, two new prospective developments of European integration encouraged left-wing actors to think about a social 'turn' in European policy: the creation of the EMU, and the possible enlargement to the UK, Ireland, Denmark, and Norway.

The prospect of enlargement raised hopes for the socialist parties of the EC, who saw in the adhesion of the new countries an opportunity to finally increase the weight of socialist and social-democratic parties within the EC and to shift European policies in a direction that would be more in line with their social and democratic principles. Indeed, the candidate-countries boasted strong social-democratic traditions: the Norwegian Labour Party had dominated the Parliament since the war, ruled uninterruptedly from 1945 to 1965, and retook power in 1971; in Denmark the Social Democrats had been in power almost uninterruptedly since the war; in the UK Wilson's Labour Party returned to opposition in 1970 but the party and the British Trade Union Confederation (TUC) were among the largest social-democratic forces in Western Europe; this was less marked in Ireland where the Labour Party had only been the third political force since 1948, and participated only twice in government coalitions during the 1940s-1950s. Moreover, as explained in the first chapter, the UK

[311] Antonio Varsori, "The emergence of social Europe", in Dumoulin and Bitsch, *The European Commission, 1958-72*, 427–41.

and the Scandinavian countries were historical pioneers of the West European welfare states. The prospect of these four new countries joining the EC opened the way for a rebalancing of political forces within the EP, the Council and the Commission. For this reason, socialist and social-democratic parties in the 'Six' member countries were greatly in favour of enlargement.

However, the socialist forces in the candidate countries had diverging and often hostile positions regarding the EC, especially in the case of UK and Ireland. In the UK, hostility towards the EC was widespread within the Labour Party and the TUC. The party leader Harold Wilson was not fundamentally opposed to entering the EC itself, but campaigned against the terms of accession that were being negotiated by Edward Heath's pro-EC Conservative government (1970-1974). The TUC, which was a giant representing 10 million of workers, as against the EFTUC's 11 million, adhered to the line adopted by Wilson after 1970.[312] In their majority position, both the TUC and the Labour Party pleaded for the setting of very precise conditions for accession that would allow for the countering of foreseen negative economic consequences of entering the EC. In particular, they feared that the UK's financial contribution to the EC would generate a budget deficit, and would lead the Conservative government to apply deflationist policies, therefore threatening employment. They also feared that accession to the EC would encourage a flight of British capital to the continent, which would in turn slow growth in the UK. Moreover, they were opposed to the CAP, which would represent an unbearable burden for the UK because it relied dominantly on agricultural imports from the Commonwealth countries, and to the prospective EMU. They were rather hostile to the idea of granting supranational competences to the EC, and to the EC's competition policy, which in their view posed problems for the states' sovereign capacity to intervene in the economy and society. Besides, by undermining the UK's trade relations with Commonwealth countries, for labourists joining the EC would also pose a problem for development in 'Third-World' countries.[313]

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[312] Barbara Barnouin, *The European Labour Movement and European Integration* (London ; Wolfeboro, N.H: F. Pinter, 1986), 13–14; Pascal Delwit, *Les partis socialistes et l'intégration européenne: Belgique, France, Grande-Bretagne* (Éditions de l'Université libre de Bruxelles, 1995), 504–9.

[313] Pierre Gerbet, *La Construction de l'Europe* (Armand Colin, 2007), 365–66; for a recent analysis of the diverging arguments regarding the adhesion to the EC in the majority and the parliamentary debate, see N. Piers Ludlow, "Safeguarding British Identity or Betraying It? The Role of British 'Tradition' in the Parliamentary Great Debate on EC Membership, October 1971," *JCMS: Journal of Common*

In Ireland, the Labour party also campaigned against accession to the EC for similar reasons. During a Party Leaders' Conference of the SI in September 1971, tensions arose between the British and Irish leaders and some of the leaders of the socialist parties of EC countries, like the Dutch Joop den Uyl. Bredan Corish, leader of the Irish Labour Party, stated clearly: "We have no illusion that the EEC could be used for Socialist objectives".[314] In Denmark, the *Socialdemokratiet* party was only unenthusiastically supporting accession.[315]

This hostility obviously represented an obstacle for the socialist and social-democratic parties and unions of EC countries, hindering transnational cooperation and coordination. Between 1970 and 1972 for instance, the TUC forbade its unions to subscribe to any of the common declarations that other European trade unions were issuing to encourage the governments' negotiations in view of enlargement.[316] During the early years of the 1970s, the socialist and social-democratic parties and unions of EC countries tried to address the serious problem that these divergences posed. First, they tried to exert some pressure on their sister parties or unions and to convince them to change their attitude towards the EC. On 9 July 1971, for instance, the EFTUC sent a message to the British TUC a few days before its yearly Congress (unsuccessfully) asking it to shift its position on the EC.[317]

But above all, this problem pushed the socialist and social-democratic forces of

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Market Studies 53, no. 1 (January 1, 2015): 18–34; note however that the EC was a topic that created vivid discussions and scissions within the British Labour party since before the adhesion, see Stephen C. Meredith, "A Catalyst for Secession? European Divisions on the Parliamentary Right of the Labour Party 1962–72 and the Schism of British Social Democracy," *Historical Research* 85, no. 228 (May 1, 2012): 329–51. See also Harold Wilson's speech entitled 'Labour and the Common Market' in IISH, SI 263, 'Report of the 12th Congress of the Socialist International held in Vienna 26-29 June 1972' (proceedings – section on 'Socialist policy for Europe').

[314] IISH, SI-346, 'Summary of interventions', SI Party Leaders' Conference in Salzburg, 3 September 1971, p.5. His statement went on: "The EEC countries are developed and Ireland is underdeveloped. There is no European regional policy, nor is there likely to be one. In a free market, the center grows at the expense of the periphery (i.e. Ireland). In the absence of proper planning, Ireland will suffer from an outflow of capital and labour. In fifty years of common market with Britain, we have lost. Ireland's GNP per capita is only half of the EEC average".

[315] The legislation to join was passed by the Folketing on 7 September 1971 against the opposition of the seventeen MPs of the leftist Socialistisk Folkeparti (Socialist People's Party - SF), twelve dissident social democrats, four radicals and one Greenlander. The pro-EEC vote, however, had not reached the required five-sixths majority, and a mandatory referendum was held which was won by the pro-Europeans with 63.3 per cent. Sassoon, *One Hundred Years of Socialism*, 1996, 337.

[316] After the enlargement, the British TUC and the Labour party decided to boycott EC institutions and organs (such as the Economic and Social Committee in the case of TUC) until 1975 when a referendum organised in the UK by the new Labour government expressed a majority vote to remain in the EC.

[317] Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 406–7.

the EC to try and put forward the idea that the EC could become a key actor in the realisation of the social-democratic project in Europe. Therefore, on 28-30 June 1971, during the 8th Congress of the Socialist Parties of the European Community (SPEC) in Brussels, the participants adopted a resolution on the enlargement of the EC. The resolution expressed marked enthusiasm for the prospective enlargement to the UK and the other candidates, which was presented as a guarantee to strengthen the cause of democratic socialism in Europe:

> Le 8e Congrès des psCe (...) se déclare convaincu qu'une fois la Communauté économique européenne élargie, les partis socialistes des pays actuellement candidats pourront, en coopération avec les autres partis socialistes de la Communauté, travailler plus efficacement : - à mettre en oeuvre des politiques propres à conduire à une plus juste répartition du revenu et de la fortune dans la CEE; - à organiser un système de contrôle démocratique des concentrations de puissance économique; - à aider les différents membres à mieux affronter les difficultés posées par le déclin régional; - à assurer la poursuite de l'expansion du commerce entre les pays développés; - à aider les pays en voie de développement dans leur évolution économique, en augmentant leurs possibilités d'exportation dans la Communauté et en veillant, en même temps, à ce que la Communauté donne l'exemple par l'octroi d'un volume élevé d'aide au développement ; - à faire progresser la coopération commerciale, scientifique et technique entre l'Europe de l'Ouest et l'Europe de l'Est, favorisant du même coup une détente durable.[318]

This was the first time that the SPEC clearly formulated the project of using the EC institutions, and modifying its policies in a way that could reform the political economy of the common market and of its member countries. During the Congress, President of the GSPE (and staunch federalist) Francis Vals also mentioned in his speech the need for more Community action in the field of social policy (especially stimulating employment, improving working conditions, health and security at work, and equal working conditions between men and women). He regretted that the EC had so far only implemented scant and fragmented measures in the social field, and pleaded for the formulation of an overall social vision.[319]

It is worth noting however, that at the time the participants of the Congress of the SPEC were not the most prominent or influential figures of the socialist parties of

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[318] HAEU, GSPE-6, 'Résolutions. 8e Congrès des PSCE', 28-30 June 1971, Brussels, here pp. 2-3. There were three resolutions: one on the enlargement of the EC; one on the reform of the Bureau de Liaison of the SPEC, which then became the Bureau of the SPEC; and one general resolution.Idem, pp.2-3.

[319] IISH, Confederation of the Socialist Parties of the EC Archives (CSPEC), CSPEC-7, '8e Congrès – Discours pronnoncé par Francis Vals, Président du GSPE', Brussels, 28-30 June 1971.

the Community, nor were its resolutions binding in any way. The participants were members of the SPEC Bureau and of the SGEP, and delegates of each member party who were usually the most 'pro-European' members of each country's party. The marked federalist tone of the speeches and resolutions was probably not representative of the positions and commitments of the national leaderships of the parties themselves at the time.[320] Nevertheless, this Congress did witness a markedly more affirmative stance from the SPEC regarding European policy, and the formulation of proposals meant to clearly gear the EC's social, economic, monetary, and fiscal policies to the interest of 'workers'.

Indeed, the general resolution adopted at the Congress proclaimed the SPEC's deep conviction that only the creation of a social and democratic (federal) Europe could allow for the achievement of socialist objectives on the continent. Aside from the institutional reforms advocated to democratise the EC (such as more power to the Commission and direct elections, budgetary and legislative powers for the EP), the resolution supported a set of policy reforms to bring the EC in line with social-democratic ideals thanks to a reassessment of the social goals of the EC and the creation of an EMU. These included equal opportunities, improved living and working conditions, industrial and economic democratisation, fairer distribution of incomes and wealth, control of 'economic power' (control of multinationals, regulation of mergers and acquisitions), harmonisation of fiscal and budgetary policies in a way that favoured workers' interests, prioritisation of least developed regions, and so on. The resolution ended with a call to the socialist parties and trade unions of the candidate countries to understand their responsibility and to act to weigh in on the enlargement negotiations.[321]

[320] IISH, CSPEC-7 List of participants of the 8the Congress of the SPEC: members and deputy members of the Bureau, 10 delegates of parties for FR, IT, DE, 6 delegates for BE, LUX, NL, and members of the SGEP.

[321] Regarding social goals, the SPEC considered it necessary to guarantee: - improvement of health and working and living environment to achieve a more human and social industrial evolution; - more equal opportunities thanks to education policy and vocational training; - democratisation of social life at different levels, including within undertakings; - more justice in distribution of income and wealth; - improvement and harmonisation of living and working conditions, of salaries and income thanks to the full use of the production capacity of the modern economy; - guarantee of full employment; - harmonisation of legal dispositions regarding mariage, family and divorce, in order to ensure women with equal rights to men in family and in society; - improvement and harmonisation of social security, in particular with increased protection of the most unfavoured or more vulnerable to structural change; - total free movement thanks to harmonisation of legislation regarding nationality and political rights of EC migrants. Regarding the EMU, its tasks would be to guarantee stability and growth; to enable an efficient control of economic power in the Community thanks to an active competition policy (control of fusions and predominant concentrations and adoption of common policies of control of

The importance of the prospective enlargement in the assertion of the socialist and social-democratic parties' desire to turn the EC into a motor for a more *social* Europe was becoming more and more evident, including in the highest spheres. During the 12th Congress of the Socialist International that took place on 26-29 June 1972 in Vienna, several leading figures expressed their hopes and conviction that the enlargement of the EC would create the opportunity to work jointly for a modification of the EC – and of Europe – along socialist lines. The leader of the new French Socialist Party François Mitterrand, the Chairman of the Dutch PvdA André Van Der Louw, the Danish *Socialdemokratiet* Minister for foreign trade and EEC Affairs Ivar Nørgaard, and the Italian PSI MP and former foreign trade Minister Mario Zagari, among others, all voiced their intention to turn the EC into a useful tool to control multinational companies, to control investment and capital movements, to implement regional, social, industrial, and income policies as well as participation of trade unions and other social groups, among other things.[322] One of the resolutions adopted by the SI Congress regarded 'European economic integration' and stated that:

> The SI realises the importance of the progress of the economic integration of Europe which is now coming about through the enlargement of the EEC and welcomes the position of the Socialists in the Communities who plan the strategy for the creation of a *Socialist Europe*. Congress is convinced that the EEC will have to meet the essential needs of the British and other Labour movements in order to create conditions for full participation of all countries concerned in the European Community.[323]

In sum, the Community's enlargement to new countries created new hopes for socialist and social-democratic forces to acquire, for the first time in the postwar era, a significant influence in the orientation of the EC. A shift in their attitude towards the EC became perceptible in the early 1970s, when they became more affirmative, and started identifying the EC as a possible tool in the realisation of a socialist Europe.

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multinationals); to ensure an industrial and development policy that target valorisation of least favoured regions of Community; ensure democratisation of economic power, especially in undertakings (the Community term for enterprises) thanks to legally defined participation of workers and their organisations; a policy of salary and non-salary incomes (without limiting the autonomy of social partners) that enable growing layers of populations to be involved in the 'formation du patrimoine' resulting from growth; a common energy policy to ensure Community approvisionning at cheapest possible price; coordination of research policies; harmonisation of fiscal and budgetary policies that would first and foremost be geared towards interest of the working classes. HAEU, GSPE-6, 'Résolutions. 8e Congrès des PSCE', 28-30 June 1971, Brussels

[322] See the transcription of the speeches in IISH Socialist International Archive (SI), SI-263, 'Report of the 12th Congress of the Socialist International held in Vienna 26-29 June 1972' (proceedings – section on 'Socialist policy for Europe').

[323] Idem, 'Resolutions adopted by the Congress', pp.86-88 (here p.86, my italics).

The emerging project for a socialist Europe was obviously still embryonic, but it clearly included scope for redistribution, regulation and control of economic activities, and economic planning. It diverged completely from the conception of European social policy that had been put forward up until then, which was rather limited to a productivist or reparative function, or to increasing consultation of workers in EC decisions. This in turn, as will be seen in the next chapter, raised the problem of how to achieve trans- and supra-national coordination of the parties and unions, as well how to formulate a true common, coherent and comprehensive socialist programme to reform the EC.

This new optimism regarding the potential of the EC to become a lever for a socialist Europe encouraged the socialist Left – led by the German government – to use the upcoming summit meeting of the heads of state and government in Paris at the end of 1972 to call for the creation of a 'social union'.

4. The 1972 Paris Summit and the call for a 'social union'

'The EMU and social progress in the Community'

In 1972, following a proposal by French President Georges Pompidou, the governments of the 'Six' decided to hold a new summit meeting. It was presented as an occasion to celebrate the forthcoming accession of the three new member states – the UK, Ireland and Denmark – who were also invited to take part in the summit.[324] The Paris Summit took place under French auspices from 19 to 21 October 1972, and was the first summit of the heads of state and government of the EC since the 1969 Hague Summit. Unsurprisingly, many saw the initiative as an opportunity to reassert their position as to the road to be taken by the EC, and to call for new commitments in favour of European integration.[325]

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[324] Norway, whose government had signed the treaty of accession to the EC on 22 January 1972, withdrew its application following the referendum of 24 and 25 September 1972, where nearly 54% of voters rejected accession to the EC. The official date of entry of the three new countries was set for 1 January 1973.

[325] Note that despite the so-called European '*relance*' after the 1969 Hague Summit, by 1972 the EC was getting bogged down in a series of difficulties, due in part to the increasingly unstable international monetary situation, but also problems of bureaucratic sluggishness. HAEU, GSPE-053-FR, pp. 18-22: 'Les documents en souffrance s'accumulent sur le bureau du Conseil des Ministres', interview with Wilhelm Haferkamp, *Handelsblatt*, 13 December 1971: the interview highlights the procedural difficulties which slow down the decision process of the Council. As a result, 350 projects and

In the months preceding the summit, during the preparatory works, the governments of each country (including the four prospective members) were invited to express their opinion on the themes that were to be dealt with during the meeting. Adopting a proposal made by French Minister of Foreign Affairs Maurice Schumann, the foreign affairs ministers had chosen three themes to structure the discussions. One of the themes chosen was "The EMU and social progress in the Community", the other two were "Foreign relations and global responsibilities of the EEC" and "Institutional reinforcing and progress in the political field". In their opinions, released prior to the meeting, as well as during the meeting, all countries affirmed their desire to see closer relations between economic integration and social progress.[326] The governments of the prospective member states were particularly keen to propose new policies and measures in the broadly defined social field.

The Irish government insisted in particular on the need to create a common regional and structural policy to aid regions and sectors in difficulty, and on the will of acceding countries to see stronger emphasis on the Community's commitment to social progress.[327] The Danish government emphasised the need to implement an action programme to improve the quality of human environment and pollution within the enlarged EC.[328] During his intervention in an informal preparatory meeting of the ministers on 24 April 1972 in Luxembourg, the Danish social-democrat Minister for foreign economy, Ivar Nørgaard, insisted on the need to adopt a common employment policy that would include setting minimum norms for all important social policy fields such as health, housing, education, etc. He also called for the intensification of the use of the ESF and examination of the questions of joint control in enterprises and

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proposals from the Commission, and 70 communications, were blocked in the Council, some for more than 5 years.

[326] HAEU, EN-122, which contains the memorandums of all member and candidate countries in preparation for the summit, pp. 1-192. See also the transcriptions of the interventions of the ministers during an preparatory meeting in HAEU, EN-477, 'Informal meeting of the ministers of the member States of the Community and adhering States, as well as representatives of the Commission in Luxembourg, 24 April 1972', pp. 2-116.

[327] HAEU, EN-122, 'Memorandum indiquant le questions que le Gouvernment irlandais souhaiterait voir examinées à la Conférence au sommet', 7 July 1972, pp. 169-175. The opinion goes: "Le Gouvernement irlandais estime que la façon la plus adéquate de tenir les engagements pris dans le domaine social et exprimés dans le préambule au traité de la C.E.E serait de développer une politique sociale cohérente au sein de la Comnnmauté. Il semble à la fois souhaitable et opportun que lors de la Conférence au sommet une décision politique soit prise en ce qui concerne le développement d'une telle politique." Here p. 173. The intervention of the Irish minister for Foreign Affairs, Patrick J. Hillery, was exclusively dedicated to regional policy, see HAEU, EN-477, pp. 81-84.

[328] HAEU, EN-122, 'Memorandum du Gouvernement danois au sujet de la preparation de la Conférence au sommet', 7 July 1972, pp. 176-181.

of economic democracy – he proposed the adoption of a common 'EC code' regarding multinational companies, in order "to ensure that they did not take advantage of their situation to act against the common interest".[329]

The Norwegian government – who participated in the preparations for the summit before its accession to the EC was rejected by referendum – insisted on the need to create a "*social union*" following the will expressed by the trade unions, in close collaboration with the social partners and oriented towards an equalisation of wealth; to better control multinationals; to establish a regional policy relying on the creation of a regional fund and the reinforcement of the other structural funds; and to establish an action programme for an environmental policy.[330] By contrast, the opinion of the UK government was remarkably short and telegraphic, and only mentioned the need to create a regional policy, to deal especially with industrial change and unemployment.[331]

The governments of the 'old' member states mostly reiterated their positions of the previous years. The Italian government emphasised the need for a 'regional and structural' policy with appropriate resources; but also the need for the EC to show a real political commitment to implementing a "European social policy", and for the realisation of "European citizenship"; as well as a common cultural policy.[332] During his intervention at the preparatory meeting, Italian Foreign minister Aldo Moro insisted on the need to adopt efficient regional and employment policies (as already suggested by the Italian government in its Memorandum on employment of 24 June 1971); he put forward an idea of social policy mainly built on a concept of the

[329] HAEU, EN-477, 'Schéma de l'intervention de Monsieur Ivar Noergaard, Ministre de l'économie extérieure du Danemark', 24 April 1972 in Luxemburg, pp. 85-92, here p. 90 (my translation).

[330] HAEU, EN-122, 'Mémorandum du gouvernement norvégien concernant la preparation de la conference au sommet', 7 July 1972, pp. 182-192. "Il s'agirait notamment d'attacher une grande importance à la réalisation d'une plus grande égalité dans la position des différents groupes sociaux et de réduire les disparités de revenus. Compte tenu de cet objectif, les partenaires sociaux et autres groupes intéressés devraient être associés plus étroitement aux consultations concernant l'élaboration d'une nouvelle politique économique. La Conférence au sommet devrait inviter les institutions de la CEE à étudier comment le développement d'une "Union sociale", telle qu'elle a été proposée par les syndicats, pourrait se faire parallèment à la mise en place d'une Union économique et monétaire. La Commission devrait être également chargée d'établir un rapport sur les possibilités de contrôler plus efficacement les sociétés multinationales." Ibid, here p. 183. See also HAEU, EN-477, 'Schéma de l'intervention de Monsieur Per Kleppe, Ministre du Commerce extérieur de Norvège', 24 April 1972, pp. 93-99.

[331] HAEU, EN-122, 'Points submitted by the UK government', p. 162. This was in line with the general stance of the UK government regarding European 'social policy' throughout this period, which consisted in demanding increased resources for regional and structural funds. See Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 73–79.

[332] HAEU, EN-122, 'Déclaration introductive de la délégation italienne', 7 July 1972, pp. 147-158.

"European citizen", based on free movement within the Community.[333] The Belgian note also suggested that guidelines should be adopted, to "give a political impetus" for new achievements in the fields of social, regional, scientific and technology policies.[334] The Dutch government considered it essential that the conference should show clearly that the Community did not follow just economic goals, but "*s'emploie davantage encore à promouvoir le progrès social et l'amélioration des conditions de vie*" thanks to greater harmonisation of social policies where necessary.[335] It insisted on the need for greater social *'harmonisation'* – rather than 'unification' – relying on article 235 of the Treaty.[336] As for the French government, it merely mentioned that the heads of state and government should examine during the Summit which guidelines could be adopted regarding "*les actions dans le domaine industriel, social et régional*". The priority of the French government was clearly to gear all efforts towards the creation of the EMU.[337]

The German federal government stood out from all other 'old' member states as it dedicated specific attention to "social progress within the Community" and affirmed that "*La Conférence au Sommet devrait arrêter le principe selon lequel la Communauté devrait se développer en un espace se trouvant à la pointe du progrès social, sur une base de stabilité, de croissance et d'équilibre régional*".[338] Brandt and his government were seizing the opportunity offered by the summit to affirm the new European policy envisioned since the early 1970s: a policy aimed at turning the EC into a motor for social progress so as to reassert the importance of Europe – the "union of peoples of Western Europe" – within the rest of the world.

In the view of the German government, the EMU and social progress, institutional reform/democratisation and the place of the EC in the world – the three broad themes of the summit – were indissociable. In brief, by democratising the EC's

[333] See also HAEU, EN-477, 'Rencontre informelle des ministres des Etats membres de la Communauté et des Etats adherents et des représentants de la Commission à Luxembourg, le 24 avril 1972 - Schéma de l'intervention de M. Aldo Moro, ministre des affaires étrangères de la République italienne', 24 April 1972, pp.48-57.
[334] HAEU, EN-122, 'Délégation belge – Conférence au Sommet', 7 July 1972, pp. 116-122, here p. 119 (my translation).
[335] HAEU, EN-122, 'Mémorandum néerlandais sur la conférence des chefs d'Etat et de gouvernement envisagée pour octobre 1972', 7 July 1972, pp. 35-41, here p.37.
[336] HAEU, EN-477, 'Schéma de l'intervention de M. W.K.N. Schmeltzer, ministre des affaires étrangères des Pays-Bas', 24 April 1972, pp. 66-74.
[337] HAEU, EN-122, 'Aide-mémoire relatif à l'ordre du jour du sommet Européen', 10 July 1972, pp.141-146, here p.142.
[338] HAEU, EN-122, 'Aide Mémoire' 6 July 1972, pp.129-140, here p.137.

institutions and by gearing all European policies – economic and monetary policies, social policy, foreign trade and foreign relations, and so on – towards social progress, EC countries would guarantee internal and external stability, and therefore contribute to consolidating *détente* and peace in Europe. In his intervention during the informal preliminary meeting, the German Secretary of State for Foreign Affairs, the liberal Sigismund von Braun, explained that the Community now had a chance to become "*la région du monde la plus avancée sur le plan social*":

> Il importe qu'il ressorte de nouveau clairement que l'union des peuples de l'Europe de l'Ouest est un phénomène qui ne vise pas seulement l'accroissement quantitatif du bien-être mais surtout l'amélioration qualitative des conditions de vie de l'individu. En effet, c'est seulement si la Communauté est acceptée, soutenue et développee encore davantage comme zone de progrès social par ses habitants, qu'elle peut devenir une zone de stabilité intérieure et extérieure.
>
> (…) Les vastes progrès réalisés au sein de la Communauté exigent le renforcement et le développement de ses institutions et l'octroi à celles-ci d'une plus grande légitimation démocratique. D'un autre côte, les principes sociaux qui déterminent le développement interne se répercutent également par leur rayonnement au-delà des frontières sur les relations extérieures de la Communauté et sur son prestige dans le monde. Axé sur la politique sociale, l'aménagement de l'union économique et monétaire de la Communauté est ainsi en rapport étroit avec les deux autres grands thèmes de la conférence au sommet. Si tous les participants réussissent à relier systématiquement ces trois domaines de sorte qu'ils constituent un ensemble, alors elle aura apporté une contribution substantielle à l'organisation de la paix en Europe."[339]

Besides the governments, many other actors seized the opportunity of the upcoming summit to voice their concerns and demands regarding the evolution of the EC. The necessity to gear European cooperation and integration towards the achievement of greater social progress appeared recurrently in the appeals to the heads of states. In the EP, several deputies (especially on the left) insisted that the Paris Summit should be the occasion for a firm commitment on the part of the heads of state, and demanded greater attention to 'social progress' when determining the guidelines of the EMU, as well the adoption of a true action programme in the social

[339] HAEU, EN-477, 'Rencontre informelle des ministers des Etats membres de la Communauté et des Etats adhérents ainsi que des représentants de la Commission, à Luxembourg, le 24 avril 1972 – Schéma de l'intervention de Monsieur von Braun, Secrétaire d'Etat aux Affaires Etrangères', pp. 26-34, here pp. 32-34.

field.[340] In a resolution adopted at the beginning of October, the Bureau of the SGEP expressed its hope that the heads of state would commit to creating new tools to support a social policy geared towards a new distribution of all salaries and incomes, full employment and harmonisation of social security (achieved in collaboration with workers' and employers' organisations), as well as a regional policy allowing for development of regions in difficulty, and a common policy in the field of environment protection so as to ensure a better quality of life. The resolution also reiterated the Bureau's call for a democratisation of the Community and a reform of its institutions.[341]

The so-called 'social partners' – employers and trade unions organised at EC level – also put their views forward. The Memorandum released by the UNICE even mentioned in passing the need for further achievements enabling social progress and improving the 'quality of life' throughout the Community. The prime concern of the industrialists was however, the achievement of the EMU, which they believed should be flanked by a regional policy promoting industrial and agricultural restructuring for greater competitiveness. In the social field, UNICE gave prime importance to a European employment policy and supported the Commission's 'preliminary guidelines for a Community social policy'. UNICE called for member states to allocate the financial means for the implementation of this social policy, especially through ESF aid. However, they insisted that social harmonisation and social progress in the Community was the responsibility of the states, should be tackled mainly at national level, and should in no case threaten free competition.[342]

As for the EFTUC, it addressed a document to the heads of state that summarised in great detail its position on the three themes of the summit meeting, and expressed the formulation of a design that far surpassed its previous focus on institutional reforms. It supported the creation of an economic and monetary union only if it was conceived "*au service du progrès social, de la juste répartition du revenu national et du plein emploi*". Aside from its usual demands regarding institutional reform, the EFTUC put forward a set of demands for full and better

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[340] For instance the Dutch PvdA MEP Vredeling, in AHPE, PE0 AP DE/1972 DE19720613-019900FR, 'Séance du 13 juin 1972 – Orientations préliminaires pour un programme de politique sociale'.
[341] HAEU, GSPE-6, 'Résolution du Bureau des partis socialistes de la Communauté européenne à l'intention des chefs d'Etat ou de Gouvernement', 3 October 1972, *CSE* n°27/1972.
[342] HAEU, EN-121, 'Memorandum de l'UNICE en vue de la Conférence au Sommet', 23 June 1972, pp. 2-15.

employment to be pursued at EC level, including protection of workers against dismissal; income maintenance in case of dismissal; regional development planning and funding to ameliorate regional inequalities; coordination of all economic and social policies of the member states and upward harmonisation of social security systems; implementation of price control to contain inflation; environmental policy; as well as democratisation of the economy, for instance with the adoption of a Community regulation forcing multinational companies to guarantee a right to information and consultation for workers and their representatives in case of economic restructuring. Moreover, it exhorted the EC to become a true political actor guaranteeing détente, peace, and security in the world. The EFTUC advocated a policy of cooperation in the development of Third World countries, implying a complete modification of the rules of the international monetary and trade systems – e.g. encouraging a fairer policy of imports of manufactured goods from the 'South', regulation to stabilise the trading prices of raw materials, greater cooperation with the Mediterranean countries. [343]

Finally, the European Commission also released a communication in preparation of the summit, which presented social progress as the first condition for further engagement in the realisation of the EMU. Full and better employment was at the top of its objectives for social progress. To achieve it, it proposed the creation of "*un mécanisme de garantie des revenus des travailleurs face aux consequences des mutations économiques resultant des politiques communes*" – mainly through increased ESF aid and increased financial solidarity within the EC. European 'civil rights', environmental protection, regional development, industrial integration and a new policy of cooperation with developing countries were other aspects of the Commission proposal.[344]

It is not irrelevant to note that at that time, the Commission was passing

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[343] On the institutional question, the document insisted that the creation of the EMU could only be conditional on profound institutional reform to democratise the EC (majority voting and transparency of decisions in the Council; turning the Commission into a political body with an initiative role instead of administrative management; intervention of the EP in the choice of the composition of the Commission, which should in turn be responsible before the EP; direct election of EP with direct universal suffrage; permanent contacts to be established between social partners and the Commission, Coreper and Council; the ESC should be reformed and given own initiative, increased funding, etc.; and a trade union institute should be created in order to train national trade union militants to the European dimension. The document was entitled 'Position adressée à la Conférence des Chefs d'Etat ou de Gouvernement' and released in September 1972. Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 431.

[344] HAEU, EN-121, 'Communication de la Commission des Communautés européennes en vue de la préparation de la Conférence au Sommet', 7 July 1972, pp. 34-45 here p. 37.

through a peculiar period, which was primarily the result of the personal activism of the "hippie" Sicco Mansholt, who replaced the Italian Franco Malfatti as its new president in April 1972 and remained in office for little over seven months. Sicco Leendert Mansholt was a Dutch socialist, son of farmers who grew up in Gröningen and ex-manager of a tea-producing business in the East Indies, who became Agriculture Minister in the Dutch Cabinet then Vice-President of the first European Commission in charge of Agriculture in January 1958. He had played an important role in setting up the CAP.[345] Between 1968 and 1973, at the end of his career, Mansholt turned increasingly towards far-left ideas, his tone became more radical, and he became used to quoting Marcuse and Illich as intellectual reference points.

In 1971, he was deeply shaken by the highly explosive report *Limits to Growth,* ordered by the Club of Rome, which attracted global public attention for its alarming assessment of some of the consequences of growth such as pollution, famine, and unrestrained conducts of multinationals, and suggested that at the then current pace of growth, most world natural resources would run out within ten to thirty years.[346] Mansholt then started preaching 'zero growth' intensively. By 1971 Mansholt reached the conclusion that capitalism was simply unable to come up with the proper solutions for larger world issues; he became particularly sensitive to the cause for 'third-worldism', and advocated a reversal of growth in rich countries to the advantage of poor countries, and a better world division of labour.[347]

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[345] Manholt was one of the main supporters and architects of the CAP, and in 1968 launched his most famous plan, the so-called 'Mansholt Plan', for a restructuring of European agriculture by 1980. While promoting his plan, he bluntly stated that within ten years half of European farmers would have to leave their land. A protest movement then took form that was directed at him personally. It reached its peak in the streets of Brussels on 23 March 1971 in a clash with the police, in which one of the demonstrating farmers was killed. See in particular Johan van Merriënboer, *Mansholt: A Biography*, 2 (Bruxelles ; New York: P.I.E Peter Lang, 2011) chapter 13.

[346] The Club, founded in 1968, aimed at promoting research into possible solutions to global problems. The goal of the '*Limits of Growth*' – also known as the 'Meadows Report' was to analyse the long-term causes and consequences of growth in the world's population and material economy, taking into consideration five critical variables: population, food production, industrialisation, pollution and natural resources. The authors made a plea for limiting growth. The press leaked its findings as early as spring 1971. The English version and translations then sold twelve million worldwide according to the Club of Rome website. Johan van Merriënboer, *Mansholt: A Biography* (Bruxelles ; New York: P.I.E Peter Lang, 2011), 329; Donella H. Meadows et al., *The Limits to Growth: A Report for the Club of Rome's Project on the Predicament of Mankind* (New American Library, 1972), 9–16. (Merriën, p. 329). *The Limits to Growth. A Report for the Club of Rome Project on the Predicament ofMankind,* New York: Universe Books, 1972, pp. 9-16.

[347] Johan Van Marriënboer, "Sicco Mansholt and 'Limits to Growth'" Claudia Hiepel, ed., *Europe in a Globalising World: Global Challenges and European Responses in the "long" 1970s* (Baden-Baden: Nomos, 2014), 319–42. See also Mansholt's autobiography *De Crisis,* in which Manslholt explained his views. He argued, among other things, for a shortening of the working week from 40 to 30 hours without loss of salary, for an involvement of all in decision-making, and to replace the consumer

Mansholt argued on several occasions that a 'second Marx' was needed to solve the present problems of the world. He advocated a 'new Socialism' that could no longer restrict itself to correcting capitalism. In January 1972, he declared on a Dutch TV broadcast, "I am coming to the conclusion that a solution to the great problems of our times can no longer be reached within the Capitalist system".[348] This vision came hand in hand with a conviction that Europe had to play a leading role in a new world order. This led him to advocate a strengthening of the Community's competences and the creation of a new progressive European party.[349]

When he took office as president of the Commission, Mansholt urged his colleagues to work out a new policy agenda for the European Communities. On 9 February 1972, Mansholt exposed his thoughts in a letter addressed to Malfatti, in which he called for radical reforms that basically amounted to a plea for zero growth. After he had been appointed President of the Commission, the letter was discussed by the Commission and met with disapproving or teasing reactions. Altiero Spinelli, the Italian Commissioner for Industrial Affairs and Environment, teased him by asking if he was becoming "a hippy", while the Vice-President of the Commission in charge of Economic and Financial affairs expressed firm criticism.[350] The letter attracted much

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society by a system based on clean production. S. L. Mansholt and Janine Delaunay, *La Crise*, Grands Leaders (Paris: Stock, 1974).

[348] Johan van Merriënboer, "Sicco Mansholt and 'Limits to Growth,'" in *Europe in a Globalising World: Global Challenges and European Responses in the "long" 1970s*, ed. Claudia Hiepel (Baden-Baden: Nomos, 2014), 327. In 1971, he wrote an essay entitled 'Modern Socialism' and delivered a speech on 23 September on the Europalia culture festival in Brussels on the topic, where he exposed his ideas about the North-South divide and the tension between prosperity and welfare, arguing that a new socialism was necessary to tackle the new issues of population growth, food shortage, scarcity of energy and raw materials, the power of multinationals, environmental pollution and automation. Sicco L. Mansholt, "Modern Socialisme," *Socialisme & Democratie*, no. 28 (1971): 523–39.

[349] HAEU, GSPE-053, 'Les socialistes en Europe doivent gagner en influence' (déclaration de Sicco Mansholt), *Het Parool*, 3 January 1972, pp. 23-25. Mansholt regretted that the impact of socialist parties on European events was "practically null". Until now, he argued, European socialism had been content with correcting the capitalist structure of society with "socialist corrections". However, the article goes: "Si, jadis, le capitalisme pouvait être corrigé, dans le nouveau rapport des forces économiques internationales, cela n'est plus possible". The necessary response was the creation of a "European congress of socialist parties" which would be competent to take decisions binding on national parties and parliamentary groups (p. 24). This will be developed in the next chapter.

[350] AHEU, GSPE-054-FR, pp. 97-105: 'La croissance économique et les mutations de la société - réflexions de M. Raymond Barre (vice-président) sur le lettre de M. Mansholt au président de la Commission', 22 June 1972. Barre however acknowledged that a different type of growth was necessary, and admitted that large social groups had not yet reached a decent material standard of life, that job insecurity still affected many people in urban and rural areas, that the problem of wealth distribution was as strong as ever, and regarding quality of life, that factors other than pollution were at stake in modern cities: housing conditions, transport and working conditions. For these reasons, he argued, substantial decrease was not desirable, and was politically and socially unacceptable in European countries. He advocated to remain in the realm of 'mix economy' to address these problems and to increasingly tackle economic and social priorities at EC level.

media and political reaction.[351] Although the establishment generally rejected his ideas, Mansholt became quite popular among the radical youth, especially in the Netherlands.[352] It was also met with enthusiasm and was intensively discussed in transnational socialist and federalist networks. The European Movement in Norway printed 1 500 000 copies of his letter for distribution.[353] Among the socialist parties of the EC, which organised several meetings to discuss Mansholt's letter and its reactions, it gave rise to fundamental discussions about the viability of the capitalist system and the need to adopt a 'socialist action programme' to face the new world challenges. The participants of these meetings showed almost euphoric enthusiasm for Mansholt's new ideas. Wrapping up an exchange of views in May 1972 between Mansholt, the Bureau of the SPEC and the SGEP, for instance, the president of the SGEP Francis Vals exclaimed: "*Les socialistes peuvent jouer là le rôle historique de notre génération*".[354] In the SI however, the reactions to Mansholt's ideas, especially the 'zero growth' concept, were more moderated.[355]

Mansholt saw the Paris summit as a chance to give a new impetus to European integration, to reinforce the democratic features of the EC by giving more powers to the Commission and Parliament, to extend to policy domains of the EC and the competences of the Commission, as well as to deeply reform existing policies. These

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[351] Mansholt's letter got a lot of international publicity in all European mainstream press and television media between January and March 1971. See Laurence Reboul, Albert Te Pass, and J.C. Thill, *La Lettre Mansholt: Réactions et Commentaires* (Paris: J. J. Pauvert, 1972).

[352] According to Merriënboer, Mansholt's personal archives are filled with fan letters. He had a debate on "Ecology and revolution" in Paris with Herbert Marcuse, the prophet of the protest generation, and several French intellectuals on 13 June 1972. There was an audience of twelve hundred people, and another two thousand outside for whom there was no room in the hall. Merriënboer, "Sicco Mansholt and 'Limits to Growth,'" 334.

[353] According to the Bureau of the SPEC. HAEU, GSPE-054-FR, 'Réunion exceptionnelle du groupe socialiste et du Bureau des partis socialistes de la Communauté européenne - Exposé de Sicco L. Mansholt' Bruxelles, 29 mai 1972, pp. 63-80.

[354] HAEU, GSPE-053, 'Projet de procès verbal, réunion exceptionnelle du groupe socialiste et du bureau des partis socialistes de la Communauté européenne', Bruxelles, 29 mai 1972 - Echange de vues avec Sicco L; Mansholt, Président de la Commission de Communautés européennes, sur les observations qu'il a présentées en vue de définir une politique économique nouvelle (lettre du 9 février 1972 de Mansholt à Malfatti)', pp. 285-305; here p. 303. Participants broadly shared Mansholt questioning of the viability of a capitalist society, and discussed the principles of private consumption, private owning of production means, industrial relations within enterprises, 'zero growth', the need to enable the 'Third-World' to catch up (and to tackle regional imbalances within Europe). The main problem was how to convince European citizens that they had to 'sacrifice part of their prosperity' in order to even inequalities? MEP Lulling and president of the SGEP Francis Vals, for instance, expressed much enthusiasm for Mansholt's ideas.

[355] IISH, SI 263, 'Report of the 12th Congress of the Socialist International held in Vienna 26-29 June 1972' (proceedings – section on 'Socialist policy for Europe'). During the Congress, Ivar Norgaard, the Danish Minister for foreign trade and EEC Affairs declared that 'zero growth' was unrealistic and undesirable, while and Joan Lestor, Member of the National Executive Committee of the British LP, expressed direct criticism towards Mansholt.

were goals largely shared by his colleagues at the Commission. These were the last months before the Commission would undergo significant change after the January 1973 enlargement, which some Commissioners took as a sort of 'testament' period, and tried to draft proposals to influence the Paris Summit for a renewal of 'Europe'.[356] Although Mansholt's own focus in those months was geared above all on developing the EC's relations with developing countries, and never much on social policy, this context probably influenced the Commission's proposals regarding social policy.[357] His ideas of a less quantitative and more qualitative growth, of increased 'Gross National Happiness' and decreased world inequalities, through what was fundamentally a world-wide conception of economic planning, resonated in the debates of the time.

During the informal meeting of ministers in preparation for the Summit on 24 April 1972, Mansholt insisted that in order to convince public opinion – in particular European workers – of their will to commit to "social progress" and to greater "financial solidarity", the member states should set "*une politique dynamique de l'emploi et une garantie du revenu des travailleurs face aux mutations économiques*", and a policy aiming to preserve workers' health and "physical and moral integrity" in the work place. Moreover, according to Mansholt, social measures should reach beyond employed workers and target 'all strands of the active population' by putting production at the service of the protection and improvement of the quality of life, and by improving the environment.[358]

The preparations for the summit thus catalysed new demands in the field of 'social progress' from several directions, and witnessed an evident shift in EC governments and candidate countries' attitudes to the social dimension of European cooperation and integration. This was mainly due to the prospect of the upcoming enlargement, because it raised new hopes among left-wing forces that they might

[356] Jan Van der Harst, "Sicco Mansholt : Courage et Conviction," in *The European Commission, 1958-72: History and Memories*, ed. Michel Dumoulin and Marie-Thérèse Bitsch (Luxembourg: Office for Official Publications of the European Communities, 2007), 182.

[357] On Mansholt's 'activism' in putting his concern for the North-South divide on the agenda of the EC (to the detriment of relations with the US) and supporting the demands of the developing countries, in particular at the 1972 UNCTAD III conference in Santiago, see in particular Garavini, *After Empires*, 146–52. See also Merriënboer, *Mansholt*, 2011, 547–49. During the Paris summit he proposed that Europe should devote 10% of the growth of its GNP to direct aid to developing countries. But Pompidou torpedoed his proposals with the assistance of Brandt and Heath.

[358] HAEU, EN-477, 'Union économique et monétaire et progrès social – Discours prononcé par M. le Président Mansholt lors de la réunion des ministres des Affaires Etrangères des pays membres et des pays adhérents à Luxembourg, le 24 avril 1972', pp. 107-116, here p. 114.

finally become a leading force in the EC, and because the EC was to become an economic giant, with 256 million citizens compared to 207 million in the US, and 245 million in the Soviet Union. With this enlargement, the EC was to acquire a much greater impact on economies in the rest of the world, and therefore potentially a greater role in setting global trade, monetary, social and economic rules. With this colossal change in mind, Brandt's SPD-led government attempted to seize the opportunity to use the EC as a lever to extend its model of social democracy to Western Europe broadly, which it intended to resonate with the rest of the world. Consequently, under German impulsion, during the summit meeting the heads of state and governments committed to balance economic integration with the creation of a 'social union'.

The German memorandum and the European 'social union'

From 19 to 21 October 1972, the nine heads of State and government of the soon-to-be enlarged EEC met for the first time during a three-day summit in Paris. The day before the summit started, in an interview given to a French television programme, Brandt explained his intentions for the summit. The two priorities of the German government were the realisation of the EMU and the *social aspect* of the EC, which should include three dimensions: social policy, regional policy, and environmental policy. Following the 'no' of the Norwegian people to their accession to the EC, Brandt affirmed that an action programme was necessary in the social field to bring the Community closer to the "*gens simples*".[359]

At the Paris Summit, the German federal government presented a "*Deutsche Initiative für Massnahmen zur Verwirklichung einer europäischen Sozial- und Gesellschaftspolitik*" (translated in internal documents as "*initiative allemande en vue de mesures pour la realisation d'une politique sociale européenne*" or "*pour la réalisation d'une politique européenne dans le domaine social et celui de la société*"). The 15-page document was communicated to the permanent representations and the Commission on 16 October. The general idea underlying the 'initiative' was that social progress should become the guideline of the other common policies: "*Le progress social ne doit pas être qu'un attribut de la croissance économique, mais une*

[359] See Sylvain Schirmann, "Willy Brandt et les débuts de l''Europe sociale, 1969-1974', in Wilkens, *Willy Brandt et L'unite de l'Europe*, 317.

ligne directrice propre de notre action" (…) "*au même rang que l'intégration économique doit se situer l'intégration sociale si l'on veut parvenir à une union économique et monétaire durable et assurer son épanouissement dynamique*".[360]

The proposals of the German government were divided into four categories: 'labour'; 'formulation and implementation of Community guidelines for social security'; 'economic policy and society (*Gesellschafts*) policy'; and 'improving the institutions'. Regarding 'labour', the German government advocated: intense cooperation between national labour administrations thanks to the creation of an information centre on the labour market in the EC, connected to the ESF; upwards harmonisation of working conditions and protection at work, e.g. regarding the prevention of work accidents and work-related sicknesses, preventive protection regarding hygiene at work, etc.; implementing EC regulation for workers participation to policy- and decision-making in enterprises and factories; and studying the possibility of reaching European collective conventions in collaboration with labour and management organisations.

In relation to the 'formulation and realisation of common guidelines for social security', the German initiative advocated developing a "catalogue of fundamental principles in the social field that would serve as a basis for Community development and for the progressive approximation of member states' social policies", including for e.g. health, invalidity, old-age, pension benefits, etc. This would be done thanks to the creation of the European 'social budget' to help harmonise member states' social policies and monitor social progress. It also advocated the adoption of common guidelines for a 'social structure policy' understood mainly as vocational training policy so as to achieve equal opportunities for European workers and to encourage free movement of workers.[361]

Regarding 'economic policy and *society* policy', the German government

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[360] HAEU, EN-126, 'Initiative allemande pour des mesures en vue de la réalisation d'une politique européenne dans le domaine social et dans celui de la société", 19 Octobre 1972, pp. 178-196. See also Brandt's declaration at the summit in *Bulletin des Press- und Informationsamtes der Bundesregierung,* 20 Octobre 1972, n° 147, p. 1753-1756. Two officials of the German government also published a paper summarizing the proposal: Werner Tegtmeier and Ulrich Weinstock, "Sozial-Und Gesellschaftspolitik Als Element Einer Europäischen Union. Perspektiven Für Ein Aktionsprogramm Der Europäischen Gemeinschaft," *Europa-Archiv, Folge* 23 (1972): 801–809.Cf.

[361] HAEU, EN-126, 'Initiative allemande pour des mesures en vue de la réalisation d'une politique européenne dans le domaine social et dans celui de la société", 19 Octobre 1972, here pp. 185-188. This did not necessarily mean, in the German government's view, that the EC should point towards institutional coordination of social security systems, but that social security of all citizens of EC countries should be harmonised towards progress.

proposed: a regional and structural policy that aimed to suppress regional unbalances through the creation of common tools (e.g. creation of a European regional fund financed by the EC's own resources); developing a coordinated European policy of environmental protection and improving quality of life to guarantee a healthy and dignified environment (e.g. making enterprises bear the costs of the damages they cause on the environment such as air, seas, rivers; enhance Community measures to improve quality of food and pharmaceutical goods).

Finally, concerning 'improvement of the institutions', the German memorandum advocated increased participation of social partners in the Community's economic and social decisions e.g. the ESC should be given its own initiative to present opinions and the SCE should become the core body of '*concertation et consultation*' between the Council, the Commission and the social partners, not just on employment but for "all questions regarding society at the Community level".[362]

The German government ended by suggesting that the heads of state should charge the EC institutions with formulating objectives and measures in the social and society field, which should be carried out in parallel to the developments in economic and monetary integration. In other words, for Brandt and his government, this new European 'social and society policy' was the indispensable counterpart to the economic and monetary policies pursued within the framework of the economic and monetary union. European 'union' needed to be *social* as well as economic, so as to allow identification of citizens with the integration project.

The German proposal was certainly the most far-reaching proposal that had ever been put on the table by a government of the EC regarding social policy. In fact it went far beyond a narrow conception of 'social policy' as it included environmental, regional, consumer and institutional aspects beside social security, vocational training, health and security at work, workers' participation in enterprises and European collective conventions. It even contained the novel idea of adopting a catalogue of fundamental principles in the social field, which prefigured the later debates on an EC 'social charter. In many regards, it was therefore in line with the

[362] Ibid, 195. Interstingly, the document did not mention the role of the EP or increased competences of the institution within this new social design. Although Brandt's emerging vision of 'social Europe', and of further European integration, included the question of the EP, he considered direct elections and stronger competences of the EP as necessary conditions for his project of European social democracy. The decision to omit this question in the memorandum was probably due to caution, so as not to compromise the initiative due to foreseeable opposition (for instance from the French government) on this issue.

demands of the EFTUC and of the socialist-parties of the EC. However, it remained eclipsed by some 'controversial' aspects, such as the control of multinationals, redistribution of incomes and wealth, or the protection of workers against dismissal.

At the close of the summit, the 'Nine' confirmed their will to strengthen political cooperation and achieve the EMU and the 'European Union' by the end of the decade. In the final release of the Paris Summit, the heads of state emphasised "that they attached as much importance to vigorous action in the social fields as to the achievement of the Economic and Monetary Union". They also invoked increased involvement of labour and management in the economic and social decisions of the Community. Consequently, they invited the institutions, after consulting the social partners, to draw up, before 1 January 1974, a "programme of action providing for concrete measures and the corresponding resources", notably in the framework of the ESF. This social action programme should aim "at carrying out a co-ordinated policy for employment and vocational training, at improving working conditions and conditions of life, at closely involving workers in the progress of firms, at facilitating on the basis of the situation in the different countries the conclusion of collective agreements at European level in appropriate fields and at strengthening and co-ordinating measures of consumer protection".[363]

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[363] The original final release of the 1972 Paris Summit is available on the CVCE website: 'Déclaration du Sommet de Paris (19-21 Octobre 1972)' on http://www.cvce.eu/viewer/-/content/b1dd3d57-5f31-4796-85c3-cfd2210d6901/en, last visited 30 December 2016. The release stated: "L'expansion économique qui n'est pas une fin en soi, doit, par priorité, permettre d'atténuer la disparité des conditions de vie. Elle doit se poursuivre avec la participation de tous les partenaires sociaux. Elle doit se traduire par une amélioration de la qualité aussi bien que du niveau de la vie. Conformément au génie européen, une attention particulière sera portée aux valeurs et biens non matériels et à la protection de l'environnement, afin de mettre le progrès au service des hommes" (…) "Les chefs d'État ou de gouvernement ont souligné qu'une action vigoureuse dans le domaine social revêt pour eux la même importance que la réalisation de l'union économique et monétaire. Ils considèrent indispensable d'aboutir à une participation croissante des partenaires sociaux aux décisions économiques et sociales de la Communauté. Ils invitent les institutions à arrêter avant le 1er janvier 1974, après consultation des partenaires sociaux, un programme d'action, prévoyant des mesures concrètes et les moyens correspondants, notamment dans le cadre du Fonds social, sur la base des suggestions qui ont été présentées par les chefs d'État ou de gouvernement et par la Commission au cours de la conférence. Ce programme devra notamment viser à mettre en œuvre une politique coordonnée en matière d'emploi et de formation professionnelle, à améliorer les conditions du travail et de la vie, à assurer la collaboration des travailleurs dans les organes dès entreprises, à faciliter en se fondant sur la situation des différents pays la conclusion de conventions collectives européennes dans les domaines appropriés et à renforcer et à coordonner les actions en faveur de la protection des consommateurs." The declaration also committed to creating a regional fund to "corriger le déséquilibres régionaux principaux" and coordination of member states' regional policies; to strengthening cooperation in the industrial, environmental, development aid, technological and scientifical, and energy fields, as well as political and institutional strengthening and obviously creation of EMU.

As a matter of fact, the Paris Summit was certainly the summit conference held by the EC leaders between 1961 and 1974 that devoted the greatest attention to the social dimension of European integration.[364] The communiqué also committed to the implementation of a programme in the environmental field, the creation of a regional development fund, as well as new common policies in the industrial, scientific, technological and energy fields, and a common policy for the GATT negotiations.[365]

It is worth noting that the decision of the (mostly conservative) Heads of states to show a commitment to a more 'social' Europe during the 1972 Paris Summit meeting was also partly motivated by the internal political context of several member states. The German initiative was of course in line with the European policy matured by the government during the previous couple of years. It also responded to the political agenda of the country. During the autumn, Brandt was in the midst of his campaign for federal elections, due to take place on 19 November 1972. Over the previous years, he had been criticised by some components of his camp that accused him of having abandoned social reform for the more prestigious international policy, and of neglecting the interests of the working classes to the benefit of the middle classes.[366] In France, Pompidou was also getting ready for the March 1973 legislative elections, and the Gaullists probably found this commitment convenient at a time when the French Left had just adopted a common programme and reached apparent unity for the first time in a very long time. In the UK and in Italy, where the centre-right was also in power, political tensions were triggering fears of anticipated

[364] For a comparison of the conclusions of the different European Summit Conferences between 1961-1974, See 'Tableaux analytiques des conférences européennes au Sommet (1961-1974)', Centre Virtuel de la Connaissance sur l'Europe (CVCE), available online on http://www.cvce.eu/viewer/-/content/f0e4093d-0cf0-4031-b34c-f108290e1a1f/fr.

[365] The summit also decided on the appointment of the French Gaullist François-Xavier Ortoli as new president of the European Commission who would preside over an enlarged college of Commissioners as of 6 January 1973.

[366] Besides, during the early 1970s the SPD completed its transition from a party of the working class to a *'Volkspartei'* – shifting increasingly to representing the middle classes. This evolution was encouraged by the coalition with the *Freie Demokratische Partei* (FDP) and by the SPD's adoption of concepts such as *Leistungsgesellschaft* (meritocratic society), which implied the acceptation of social hierarchy and broke culturally and politically with the social-democratic tradition and the political values of the workers' movement and borrowed to the CSU/CDU tradition. Since the late 1960s, criticisms from the left of the SPD, from some sectors of the workers' movement (e.g. metal and chemical sectors) and from the students' movement forced Brand and the SPD to better define and reaffirm their social-democratic vision and their idea of *Reformpolitik*, which was geared increasingly towards the interests of middle classes and embraced the model of reformed capitalism. See for instance Silei, *Welfare State E Socialdemocrazia*, 2000, 360–63.

elections, which were deemed to favour the left-wing oppositions.[367] All these circumstances contribute to explaining why Brandt's initiative was at first welcomed by the other governments.

In any event, the commitment taken by the heads of state of the 'Nine' at the 1972 Paris Summit marked the emergence of the concept of a 'European social union' that was understood as the necessary counterpart to the economic and monetary union. This concept, although it was not contained as such in the German memorandum, was used and popularised by Brandt and his government and by some parts of the European Left in the subsequent years.[368] During those years, the German federal government placed itself at the forefront of the campaign for a 'Social Europe'.[369]

Although the commitment of the heads of state at the Paris Summit did not go anywhere near what was proposed by the German government and other left-wing forces during previous months, it did give a new impulsion to potentially significantly changing the EC's political, economic and social outlook at a time when it was about to become the largest political area in the world. One of its immediate consequences would be the drafting of the first Community *'Social Action Programme'* (SAP).

5. Conclusion

Many years later, in his memoirs, Willy Brandt evoked briefly his government's initiative at the Paris Summit: "*Je presentai un mémorandum sur l'union sociale européenne. Il fallait que les gens comprennent ce que la Communauté signifiait et*

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[367] Fernand Dehousse, "Le Sommet de Paris," *Chronique de Politique Étrangère* 25, no. 6 (November 1977): 741–54.

[368] The concept of European 'social union' does not appear in the French translation of the German initiative at the Paris summit. However, according to Wolfgang Kowalsky, Willy Brandt launched the expression of '*Sozialunion*' during the summit. Later, during the SPD Conference in Hannover on 11 April 1973, Brandt insisted on the need for a "European social Union" ("europäischen Sozialunion") parallel to the EMU. During the 9th Congress of the SPEC in April in Bonn, Herbert Wehner, chairman of the SPD parliamentary group, presented as a "historical task of social democracy" to change business Europe into a social Union. Kowalsky also considers Brandt as the 'father' of the expression 'Social Europe', which became his motto after the 9th Congress of the SPEC in April 1973 in Bonn. Kowalsky, *Europäische Sozialpolitik*, 387–88.

[369] As exemplified also by the publications encouraged by the government and the SPD networks like Reinhardt Rummel, *Die Soziale Komponente in Der Europäischen Union: Eignung Und Wirkungsgrenzen Sozialer Politik Als Instrument Der Gemeinschaftsbildung* (Ebenhausen: Stiftung Wissenschaft und Politik, 1974); Reinhardt Rummel, *Soziale Politik Für Europa: Ein Integrationspolitisches Konzept*, Europäische Schriften Des Instituts Für Europäische Politik 38 (Bonn: Europa Union, 1975).

pouvait signifier pour leurs conditions de vie et de travail. Le progrès social ne devait pas être un simple appendice de la croissance économique" (…) "*Pourvu que nous développions une perspective sociale européenne, nombreux seront les citoyens de nos Etats qui s'identifieront plus facilement a la Communauté*".[370] Bringing European integration – or better the EC – closer to the concerns of European peoples was one of the objectives of the social initiatives imagined for the EC at the turn of the 1970s. At a time of important social tensions in Western Europe, the governments saw in the development and promotion of this social image an opportunity to reassert the legitimacy of their cooperation and integration, and the way forward to enabling political integration.

The December 1972 Paris Summit actually marked the apex of a new determination on the part of the EC governments to provide the EC with a social dimension that could go beyond the narrow 'European social policy' that had been imagined so far. Several historians consider the commitment taken by the heads of state at the summit as the starting point for the development of a coherent and evolved European social policy, which was to become one of the distinctive features of the integration process embodied by the Community.[371] Although I do not subscribe to this somewhat linear understanding, it is clear that the event showed an unprecedented concern to gear European integration and policies more in line with social objectives – which were still to be defined. As a matter of fact, the event did provide an important impetus for the implementation of a wide range of EC measures, policies and regulations in the social field during the 1970s.

This was the result of important changes in the attitudes of left-wing forces towards the EC – socialist parties, unions and networks primarily, but also their communist counterparts. The so-called European *relance* decided at the 1969 Hague Summit did not actually impel a new conception of 'European social policy'. Rather, it encouraged discussions at EC level about the articulation of common policies with social objectives and about the association of 'social partners' to Community decisions, but with no significant immediate results. It also enabled the emergence of a broad consensus among virtually all right-wing and left-wing forces within the EC on the idea that economic integration needed to be balanced with more social measures and geared more coherently towards the achievement of social goals in

[370] Brandt, *Mémoires*, 371.
[371] For instance Varsori, "The Emergence of a Social Europe."

order to gain the assent of European 'peoples' and 'workers', and to preserve social peace and stability in Western Europe.

On the other hand, the prospective enlargement and creation of an economic and monetary union had much greater effects on the emergence of a 'social Europe' design. First, because they announced the transformation of the EC into an economic giant whose potential to weigh on the global organisation of trade, economic, monetary and social rules, among others, was increasing exponentially. Second, because enlargement created a perspective for left-wing forces, especially social-democratic forces, within which they might significantly increase their influence over European institutions and policies. This contributed to encouraging a European 'turn' of left-wing forces to the EC and led them to formulate new designs to turn the EC into a lever for a *Socialist* Europe.

This design, which arose primarily from the socialist parties of the EC and the European unions of the EFTUC, was still embryonic at this stage. It did however entail a much wider range of claims than had been included in discussions about a 'European social policy' so far. It included ideas of redistribution (by encouraging a fairer distribution of incomes and wealth and by increasing redistributive tools such as regional and social funds at EC level), of economic planning (through the implementation of policies of industrial, regional and social development for instance), economic 'democratisation' (through greater participation and information of workers in firms) and regulation of economic forces (for instance through greater control of multinational and protection of workers against dismissal), as well as environmental concerns, democratisation of the EC's institutions, and claims for the rebalancing of the international system in favour of the development of the rising 'South'.

The parallel emergence of these two trends – the consensus for an enhanced 'European social policy' and the design for a 'socialist Europe' – allowed the German social-democratic government, backed by the social-democratic candidate countries, to put forward at the 1972 Paris summit a 'social union' initiative intended to turn Western Europe into "a model for social progress" in the world. The 'social union' concept was launched to federate forces around what was fundamentally a nascent idea of a socialist Europe.

Moving from 'European social policy' to 'social Europe', the socialist forces of Western Europe started a process that required enhancing transnational cooperation

and coordination of their European policies, adopting a common programme for a ‘socialist’ Europe, and envisaging an alliance of the ‘European Left’ – starting with the elaboration of the first SAP in 1973-74.

Chapter Four
"For a social Europe", 1972-1974

1. Introduction

The period that stretched between the heads of state's commitment to "vigorous action in the social field" at the 1972 Paris Summit and the adoption of the Community's first Social Action Programme (SAP) in January 1974 were ambitious and prolific years for the conception 'Social Europe'.

The preparation of the programme gave rise to a ferment of ideas and proposals regarding European social policy that came from different parts of the European political sphere. At that time, social-democratic and socialist forces were on the rise in Western Europe. They saw a new necessity to consolidate their European policies, to increase their cooperation and put forward a common design for a socialist Europe. In those years, the socialist parties engaged in the federation of forces for 'another Europe', to change profoundly the nature of European integration, including the framing of its social policies. The context of the preparation of the SAP therefore pushed European socialists to draft the most ambitious and comprehensive design 'for a Social Europe' ever formulated so far. The project, still embryonic before the 1972 Paris Summit, was therefore taking shape. It entailed an empowered European Community able to enforce greater social progress and social justice – a conception of social justice relying on a redistributive and interventionist project to reduce inequalities and built solidarity between member states and their populations.

The socialist forces of the EC – the German government, the trade unions, the socialist parties of the European Community and the members of the Socialist Group of the European Parliament – therefore managed to influence to some extent the drafting of the SAP. Although it turned out to be disappointing in many regards, in 1974 the SAP adopted as its guiding principles the commitments to full and better employment, improved living and working conditions, as well as closer involvement of social partners within social and economic decision-making at the Community level, and of workers within the 'life' of undertakings in Europe. It also attested to the

rise of an enhanced idea of the Community's direct role in social policy – a sort of welfare Europe that would organise a democratisation of the economy, harmonise and increase social welfare in Europe, ensure equal opportunities for all, and bring about greater social justice. Moreover, although the most ambitious proposals were not included in the adopted programme, they would become the backbone of the evolving 'Social Europe' project and continued to feed Community reflections on social policy for several years.

This chapter first takes stock of the incipient rise of the European Left during the early 1970s, the consolidation of their European policies, their early efforts to increase transnational cooperation, and the nascent vision of an alliance of left-wing forces at EC level. It then turns to assessing the first and most ambitious programme 'For a Social Europe' that the socialist parties of the EC adopted at their Bonn Summit in 1973, its achievements and its limits. Finally, it evaluates the influence of socialist forces over the drafting of the SAP, and its adoption in the midst of an exacerbating political, social and economic context of crisis in Western Europe.

2. The European Left rises

The emergence of the 'Social Europe' project after 1968 was indissociable from the peculiar context of theses years – the 1970s were to Western Europe what the 1960s had been to the United States. As Garavini argued, since the late 1960s a general "shift to the left" was perceptible across the political spectrum, with the "golden age of social democracy" beginning in 1969 and burgeoning exponentially throughout the decade. This in turn encouraged the European Left to consolidate its European policy.[372]

Rising and consolidating its European policy

The decade that opened after the events of 1968-69 was a decade of important social turmoil in Western Europe, when social movements flourished in every country and contested the fundaments of the post-war economic and social order. The social unrest that rose in those years was strong, so strong that splinters of the movements

[372] Garavini, *After Empires*, 122–25.

eventually went as far, in some countries like France and Germany but above all in Italy, as to engage in armed struggle against the capitalist State. This climate initially partly favoured the institutional Left, which experienced an historical upsurge in Western Europe from the early 1970s. Importantly, the rise of Western social-democratic and communist forces during those years was paralleled by an effort by these parties to consolidate their 'European' policy.

In West Germany, the SPD had asserted itself since 1969 as the government of the most resilient economy in Western Europe and had gained much international prestige with its foreign policy activism. After it managed to place social concerns high on the agenda of the EC at the 1972 Paris Summit, the SPD continued its campaign for a 'social Europe' and sought to impose its own model of social democracy at the European level – via the EC. Between 1972 and 1974, the SPD further emphasised its European line.[373] "Social Europe" and the European "*Sozialunion*" became Brandt's and his government's motto during those years; the German federal government was engaged in efforts of theorisation and promotion within European socialist political circles. In April 1973, the discussions of the SPD Congress in Hanover were centered on the *'Orientierungsrahmen 85'*, a document focused precisely on European integration and its effects on the German economy. During the Congress, Brandt insisted on the need to foster a "European social Union" ("*europäischen Sozialunion*") parallel to the creation of the EMU.[374] The Congress was also an occasion for the reassertion of the continuity between the programme adopted by the SPD during its Bad Godesberg Congress – to support a market economy accompanied by social transformation – and its European policy.

Indeed, after 1972, Brandt reasserted his government's commitment to the Bad Godesberg programme by emphasising, for instance, the need to improve living conditions and vocational training, and to better associate workers with economic and political management through enhanced co-management Since it led the government, the SPD had raised budget allocations for public transportation, education and public

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[373] The opposition was still accusing the government of neglecting West European integration. HAEU, GSPE-056-FR, 'Document d'information. Discours de Klaus Dieter Arndt au nom du SPD lors du débat sur l'Europe au Bundestag, 13 septembre 1973', pp. 211-221. Deputy chairman of the SPD in the Bundestag, Arndt defended his party against accusations by the opposition, which charged that the SPD was neglecting Western European unification; he reaffirmed the SPD's commitment to the 'United States of Europe' (p.212) and went on outlining the government's European policy programme.

[374] Kowalsky, *Europäische Sozialpolitik*, 387–88. See also on the Hanover Congress Silei, *Welfare State E Socialdemocrazia*, 2000, 360–63.

housing. Reinforcing its model of social democracy at the EC level was therefore also a way of consolidating the GFR's commitment to the Bad Godesberg line. The German proposals included in the memorandum presented at the 1972 Paris Summit, and later initiatives of the German government, persistently put forward the German dual model of corporatism.[375] During the Hanover Congress, the Chancellor therefore explained: "*L'Europe regarde notre politique social-libérale comme un élément decisif de la politique de notre continent, comme une construction solide sur laquelle l'Europe peut se consolider et avec laquelle on peut construire l'Europe. L'expérience allemande de dialogue social peut donner les impulsions nécessaires et susciter auprès de nos partenaires des espérances pour une époque de libertés pour l'Europe*". The German government's aspiration to spread its social (liberal) democratic model to the rest of Europe by instrumentalising the EC leaves no doubt. This entailed not only the corporatist model of co-management model but also democratisation of the EC's institutions and some degree of economic planning. In conclusion to his considerations on Europe, the Chancellor affirmed: "Planning co-management and democratic control must finally determine the quality of our Community".[376]

In France, although the Gaullists managed to retain power after 1969 under Georges Pompidou and launched a relatively progressive "new society" programme under the lead of Prime Minister Jacques Chaban-Delmas, the Left was undergoing an important reshuffling and reassertion process. After the June 1971 Epinay Congress, the *Parti Socialiste* (PS) adopted a different approach to the EC than that of its historical predecessor, the SFIO.[377] In Epinay, the newly-appointed party secretary François Mitterrand declared that "those who [did] not accept this break with capitalist society cannot call themselves a member of the socialist party"; he

[375] Shortly after the October 1972 Paris Summit, Brandt confirmed his commitment in an interview with a German journal: «Nous demandons la participation des travailleurs, des salaries aux processus décisionnels des grandes entreprises européennes, car ces décisions pèsent sur le quotidien economique et social des citoyens ». Sylvain Schirmann, "Willy Brandt et les débuts de l'Europe sociale, 1969-1974", in Wilkens, *Willy Brandt et L'unite de l'Europe*, 317.
[376] "Planung, Mittbestimmung und demokratische Kontrolle müssen schliesslich die Qualität unserer Gemeinschaft bestimmen". Wilkens, 317.
[377] As explained in chapter two, the French socialists of the SFIO, led by Guy Mollet, had strongly supported the Rome treaties and had been in favour of a federal and democratic Europe. However, during the second half of the 1960s, they had been watching with growing concern the consolidation of a free-market Europe of the "merchants", while their hopes for a common market based on the principles of economic planning and full employment were disappointed. See Gérard Bossuat, "Les socialistes français et l"unité européenne', in Bitsch, *Le Couple France-Allemagne et Les Institutions Européennes*, 325–51.

advocated increased public intervention in the economy and invoked Salvador Allende's Chile as an inspiring example of socialist experiment.[378] Mitterrand defined himself as a pragmatic European and had been pleading during the 1960s (at the head of the left-wing FGDS alliance) for a democratisation of the EC's institutions and for the implementation of new common policies in fields such as health, regional development, harmonisation of national economic planning, and so on.[379] After 1971, the French socialists chose a strategy of union with the communists, which marked an important step towards the rise to power of the French Left during those years. This evolution came with the formulation of a more 'critical' stance on the part of the PS towards the EC and European integration.[380]

When, in June 1972, the PS and the PCF, together with part of the French radicals, adopted a '*programme commun*' with a view to establishing a left-wing government in France, European policy figured in their discussions.[381] In the four-page section dedicated to the EEC in the common programme (out of 188 pages), the position of the socialists prevailed.[382] They asserted that a left-wing government would not exit or try to paralyse the Community but would rather try to *reform it from within*, with the explicit aim of freeing it from the influence of big business:

> Le gouvernement aura à l'égard de la CEE un double objectif :
> – d'une part, participer à la construction de la CEE, à ses institutions, à ses politiques communes avec la volonté d'agir en vue de la libérer de la domination du grand capital, de démocratiser ses institutions, de soutenir les revendications des travailleurs et d'orienter dans le sens de leurs intérêts les réalisations communautaires. – d'autre part, préserver au sein

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[378] Garavini, *After Empires*, 125.

[379] For detailed accounts of Mitterrand's personal and professional path and the evolution of his ideas until the 1970s, See in particular Eric Duhamel, *L'UDSR, Ou La Genèse de François Mitterrand* (Paris: CNRS éditions, 2007); Mathias Bernard, *Les Années Mitterrand: Du Changement Socialiste Au Tournant Libéral*, Collection Histoire (Paris: Belin, 2015); Michel Winock, *François Mitterrand* (Gallimard, 2015); for a critical assessment see Jonah Birch, "The Many Lives of François Mitterrand," *Jacobin*, August 19, 2015, https://www.jacobinmag.com/2015/08/francois-mitterrand-socialist-party-common-program-communist-pcf-1981-elections-austerity/.

[380] Kevin Featherstone, *Socialist Parties and European Integration: A Comparative History* (Manchester : New York: Manchester University Press; Distributed exclusively in the USA and Canada by St. Martin's Press, 1988), 107–39; on the history of the "union de la gauche" see Danielle Tartakowsky, Alain Bergounioux, and Claude Bartolone, *L'union sans unité: le programme communde la gauche, 1963-1978*, Histoire (Rennes: Presses universitaires de Rennes, 2012).

[381] On the programme commun and the union of the Left, see in particular Tartakowsky, Bergounioux, and Bartolone, *L'union sans unité*; Mathieu Fulla, *Les Socialistes Français et L'économie (1944-1981) : Une Histoire Économique Du Politique* (Sciences Po Les Presses, 2016).

[382] Parti communiste français and Parti socialiste (France), *Programme Commun de Gouvernement Du Parti Communiste Français et Du Parti Socialiste (27 Juin 1972).* (Éditions sociales, 1972), 177–81. See also on this issue Robin Hivert, "Anti-Européens et Euroconstructifs : Les Communistes Français et l'Europe (1945-1979)."

> du Marché commun sa liberté d'action pour la réalisation de son programme politique, économique et social. En tout état de cause, le gouvernement gardera le droit d'invoquer les clauses de sauvegarde prévues par le traité de Rome. Il exercera librement le droit, du reste non limité par le traité, de définir et d'étendre le secteur public de l'économie sur son territoire.[383]

To gear the Community's actions towards the interests of the working class, the programme included, for instance, a project of democratisation of the Economic and Social Committee with a more equitable representation of workers and an extension of its competences. It also included proposals to democratise the FEOGA (*Fonds Européen d'Orientation et de Garantie Agricole*) and to increase the EP's control of the budget and weight in on the Community's decision making. Regarding social policy, the programme advocated a modification of articles 117, 118 and 121 of the Rome treaty so as to achieve upward harmonisation of national social legislations and to guarantee equal pay, equal social rights and benefits to migrant workers within the EC. The programme pleaded for a reform of the CAP to benefit the least favoured farmers, the creation of adequate regional and structural development policies, a common environmental policy, and the realisation of large-scale industrial and scientific projects.

Historians have generally pointed out that the common programme of the Left had a 'minimal' European dimension.[384] This should be nuanced however, as it represented an important shift in several regards. First, it was a change in the PCF's attitude to the EC, as the alliance was for the first time officially putting an end to the party's categorical refusal to take part in a Western European organisation. From then on, the PCF would agree to send deputies to the EP and would later accept, in 1976, the principle of the election of the EP by direct universal suffrage. Moreover, the common programme had an important impact on the European policy of the PS in the coming years, as Mitterrand's party had to seek a constant compromise between his own and some of his colleague's 'pro-European' views, and the views of the PCF and some left-wing components inside the PS, who were more sceptical towards the EC

[383] Parti communiste français and Parti socialiste (France), *Programme Commun de Gouvernement Du Parti Communiste Français et Du Parti Socialiste (27 Juin 1972).*, 117.
[384] For instance Gérard Bossuat, "Les socialistes français et l'unité européenne", in Bitsch, *Le Couple France-Allemagne et Les Institutions Européennes*, 325–51.

and resolute about the need to impose radical change on the EC's policies and institutions.[385]

Therefore, this political alliance prompted French socialists to further define and assert their European policy. On 15-16 December 1973, the PS organised an extraordinary congress on the EC in which the European question arose as a real focal issue for French socialists for the first time since the 1954 disagreement regarding the *Communauté européenne de défense* (CED). During the conference, tensions were heightened as Mitterrand threatened to resign as First Secretary if participation to the EC was questioned. As a result, the Congress eventually pronounced itself in favour of European integration by unanimously adopting a motion called '*Pour une Europe en marche vers le socialisme*' which claimed that socialism in France was not incompatible with European integration, and that the Rome treaties and 'liberal Europe' were not irredeemable and could be changed.[386] The vivid debates that emerged around the European question forced the party to clarify its line – henceforth European integration should serve and be subordinate to the construction of socialism in France and Europe.[387] At the Bagnolet Congress, the French PS officially asserted the idea that European integration needed to serve the realisation of socialism in France and Europe, but also that socialist goals needed to be pursued simultaneously at national and European level. The last part of the motion advocated launching an alliance of the Left at European level – with regular interparty meetings and the adoption of a common programme – in which the French PS intended to play a crucial role.

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[385] Inside the PS, Jean-Pierre Chevènement's CERES current, for instance, asserted a strong anti-EC stance. In 1974, after the Assises Congress of October 1974, a new current would join the PS: the so-called 'courrant des Assises' headed by Michel Rocard who was initially rather hostile to the EEC that he assimilated to wild capitalism. Rocard gradually shifted his position to embrace a 'social Europe' project based on reform of the EC during the second half of the 1970s. The persistence of these allies-adversaries (in particular Chevènement and the PCF) brought Mitterrand to develop a somewhat contradictory stance on Europe (for instance advocating more European integration while insisting on the member states' veto right within the Council).

[386] HAEU, GSPE-USPEC-140, 'Pour une Europe en marche vers le socialisme', Motion adoptée à l'unanimité au Congrès national extraordinaire du PS sur l'Europe, 15-16 décembre 1973, Bagnolet'; see also AHEU GSPE-USPEC-14, 'Rapport général. Congrès extraordinaire du Parti Socialiste sur les problèmes européens, Bagnolet 15-16 décembre 1973' by Robert Pontillon, General Secretary of International Affairs of the PS ; HAEU, GSPE-057-FR-A, 'Les Socialistes français et l'Europe - Note d'information sur le congrès extraordinaire du Parti socialiste français consacré à l'Europe', par Jean Laleure (secretary), 30 January 1974, pp.82-89.

[387] This was an important reversal of what had been the French socialists' European line since 1949, when the Gauche Européenne movement decided to join the European Movement, therefore placing their Europe ideal ahead of their Socialist ideal. See Gérard Bossuat, "Les socialistes français et l'unité européenne", in Bitsch, *Le Couple France-Allemagne et Les Institutions Européennes*, 331–32.

At the same time, the enlargement of the Community to the UK, Ireland and Denmark in January 1973 undoubtedly opened, as anticipated, new perspectives for the European Left to exert much more pressure on EC policies and in its institutions. As explained in the previous chapter, during the early 1970s, the accession debates highlighted the opposition of left-wing forces in the new countries, who feared that the model of free-trade capitalism championed by the EC would have negative economic consequences, threaten their social *acquis*, and impose a straightjacket over national socio-economic policies.[388] In the UK and Ireland, the labour parties and unions had campaigned against accession.

In the UK, where the Labour Party was in opposition during Edward Heath's Premiership (1970-1974), the British Left remained one of the principal holdouts to the 'socialist Europe' project at least until 1975. Its relation to the EC was historically complicated to say the least. During the 1960s and 1970s, after the tumultuous saga of Labour's positioning of itself regarding the country's three successive applications, the EC had become one of the most fractious issues for the party. As a result, pro-Europeanism became solidly entrenched in a significant minority of the Parliamentary Labour Party, probably one third, most of which belonged to the 'social-democratic' or 'Gaitskellite' wing of the party. On the Left of the party on the contrary, anti-EEC feelings became one of the hallmarks of 'true' socialism. The British Communist Party, the trade unions, the Labour Left and virtually all leftist groups, Trotskyist or otherwise, rallied against the Common Market, as did some representatives of the Labour Right such as Peter Shore, Denis Healey and Douglas Jay.[389] Tensions arose between Bristish labourists and the rest of the socialist family when Labour announced after the January 1973 accession that it would boycott the EC institutions, and refused to nominate deputies to the EP.[390]

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[388] In Denmark (as in Norway), although the social-democratic party supported the accession, the main forces against membership had come from the Left. In both countries, the main motive for the anti-EEC attitude was the fear that the welfare achievements of Nordic social democracy would be overwhelmed by integration into a supranational organisation that was geared predominantly towards economic development on a model of free-trade capitalism. Sassoon, *One Hundred Years of Socialism*, 1996, 337.

[389] Sassoon, 339–40.

[390] This was evident in the relations between the Labour Party and the EC socialist parties within the SI. For further details on British relations to the EC and the internal split in Labour Party, see also Kristian Steinnes, *The British Labour Party, Transnational Influences and European Community Membership, 1960-1973* (Franz Steiner Verlag, 2014), 81–96; Kevin Featherstone, *Socialist Parties and European Integration: A Comparative History* (Manchester: Manchester University Press, 1988), 41–76.

In response to this problem, as explained previously, socialists in the six 'founding countries' had increasingly tried to justify the EC in social and democratic terms to convince their sister parties that the EC could become a tool for the realisation of a socialist Europe. As a result of these efforts and of increased networking, the leading labour party politicians of Sweden, Norway, and even the UK, had gradually abandoned their conviction that the EC was antagonistic to social democratic policies. By the end of the 1960s, Steinnes argues, "the well-connected centre-right leadership of these parties, which had built up extensive networks, thought membership was consistent with their programmatic objectives, as did Danish and Finnish Social Democrats".[391] By January 1973 therefore, the most prominent figures of social democracy in the nine countries that now formed the EC had accepted the idea that the EC could be changed in order to serve the purpose of social democracy in Europe.

The rise of the European Left contributed to reinforcing this self-confidence. Aside from Germany and Sweden, where Willy Brandt and Olof Palme had become the most prestigious ambassadors of European social democracy in the eyes of the rest of the world, other countries were getting on board with social democracy In April 1970, the new Austrian Chancellor Bruno Kreisky opened his Chancellorship with a progressive nationalisation of the economy, which eventually placed around 20 per cent of the manufacturing and financial sectors in public hands. In the Netherlands three years later, after seven years in opposition the Dutch labourists of the PvdA gained control of a new unusual 'radical' coalition led by the controversial and popular Joop den Uyl in May 1973. In Ireland as well, the Irish Labour Party formed a coalition government with Fine Gael after the February 1973 elections, thus assuming power after 16 years of opposition, and announced a shift in the government's policy with greater emphasis on social issues.

As socialist parties of the nine member states were rising and turning to the EC, so were their sister trade unions. The late 1960s and early 1970s saw a consolidation of European trade unions at EC level. Until then, their internal ideological divisions, together with the fears of northern countries' unions that European integration would bring downward social harmonisation, constituted an

[391] Kristian Steinnes, "The European Turn and 'Social Europe'", in H. G. J. Kaal, "Constructing a Socialist Constituency. The Social Democratic Language of Politics in the Netherlands, C. 1890-1950," *202*, 2013, 378, http://repository.ubn.ru.nl/handle/2066/120154.

obstacle for workers' representatives to organise and involve themselves at Community level. During the early 1970s, the structure of trade unionism at European and global level underwent important modifications that softened the post-war division of the European labour movement. Since 1969, the EFTUC and the recently deconfessionalised WCL-EO had both called for a rapprochement between the two organisations. Furthermore, after The Hague Summit, in response to the process of enlargement of the Community, the EFTUC had accepted it would negotiate its own enlargement.

In 1973, the EFTUC was renamed European Trade Union Confederation (ETUC) and enlarged to the unions of the three new EC countries but also to the IFTUC-affiliated unions of the AELE – Austria, Switzerland, Norway, Sweden, Finland, Iceland and Spain. In 1974, the seven affiliated unions of the WCL-EO and the Italian communist CGIL (but not the French CGT) joined the new structure.[392] Between 1972 and 1976, the organisation leaped from seven to thirty member unions in seventeen different countries; it now represented 37 million affiliated members.[393] As noted by Gobin, this unique process of trade union unification at Western European level had far-reaching consequences in the following years on the ideological stance of the structure regarding European integration. The accession of the Nordic and British trade unions, and of the CGIL, brought new imperatives to the ETUC's agenda, such as the control of multinationals, environmental issues, the international economic order, or disarmament. In the following years it would lead to the designing of a much broader and comprehensive programme including demands for full employment, the transformation of the international economic order, the reduction of working time, increased public sector and public investments, economic democratisation in firms, and so on.[394] Moreover, the new enlarged structure initially had to cope with a significant challenge: the TUC's opposition to the UK's accession to the EC. This materialised in its decision to boycott the Community institutions

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[392] Del Biondo, "L'Europa Della CGIL. La Politica Della CGIL E Il Contrasto Con La CGT Sul Processo Di Integrazione Europea"; Regarding the CGIL and CGT position towards the EC and their disagreement on joining the ETUC, see Del Biondo, *L'Europa Possibile*.

[393] See Barnouin, *The European Labour Movement and European Integration*, 1986, 8 and following.; Gobin, "Construction Européenne et Syndicalisme Européen. Un Aperçu de Trente-Quatre Ans D'histoire (1958-1991)."

[394] Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 587–90.

where trade unions were officially represented such as the Economic and Social Committee and the Standing Committee on Employment.[395]

At the same time, the main Western European communist forces were also consolidating their stance regarding the EC. The French PCF's attitude towards the EC continued to evolve during the 1970s, owing much to the union with its ally-rival *Parti socialiste* but also to the changing international context – first Brandt's *Ostpolitik,* and later the EC's turn to the soviet East with the opening of COMECON-EEC negotiations and the Conference on Security and Co-operation in Europe.[396] Thanks to these profound internal and foreign policy evolutions, the PCF shifted further from categorical rejection to a resigned reformism regarding the EC. Although it still viewed the Common Market as harmful, the PCF accepted that the EC was a political reality that needed to be dealt with. It started to envisage efforts at the national and European levels to modify the social and economic contents of the EEC, to implement democratic and anti-monopolistic measures.[397] On 13 June 1973, the first delegation of French communists arrived at the EP – Gustave Ansart, Gérard Bordu and Marcel Lemoine. In November of that year, they formed the Communist and Allies Group with the Italian communists and a handful of other far-left deputies. Another factor that influenced the PCF's attitude towards the EC was its relation with the PCI, which confirmed its "Europeanism" during the early 1970s.

Meanwhile, the PCI was growing and confirming its shift towards a decisively more open and proactive attitude towards the EC. Under the leadership of Enrico Berlinguer, first as vice-president and then as General Secretary of the PCI from

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[395] The TUC's attitude was all the more problematic as with 10 million members, in 1973 it represented more than a third of ETUC's total members, and ETUC's new President was TUC's General Secretary, Vic Feather (until 1974). On the TUC's opposition, see Barnouin, *The European Labour Movement and European Integration*, 1986, 16–17. However, the TUC's attitude never really compromised the ETUC's overall attachment to the EC but it did encourage the structure to adopt a more combative stance to it. See Chapter 8 entitled "The British TUC and the European Community" in Paul Teague and John Grahl, *Industrial Relations and European Integration* (Lawrence & Wishart Ltd, 1992), 190–209.

[396] See on this question Angela Romano, *From Détente in Europe to European Détente: How the Westshaped the Helsinki CSCE*, Euroclio (Bruxelles ; New York: P.I.E. Peter Lang, 2009). The PCF's more positive stance towards the EC was also consequence of its worsening relation with the Communist Party of the Societ Union since the mid-1960s over Gaullism and détente, see Bracke, "From the Atlantic to the Urals? Italian and French Communism and the Question of Europe, 1956-1973," 33. According to Bracke, The PCF's gradual acceptance of the EEC was always more tactical than it was in the case of the PCI, and signified a far less fundamental change in its international outlook and strategy.

[397] See Marco Di Maggio, *Alla Ricerca Della Terza via Al Socialismo: I PC Italiano E Francese Nella Crisi Del Comunismo (1964-1984)* (Napoli: Edizioni scientifiche italiane, 2014); Robin Hivert, "Anti-Européens et Euroconstructifs : Les Communistes Français et l'Europe (1945-1979)."

1972, the party's repositioning – which started after the 1968 events, the 1969 '*autumno caldo*', the 1967 Karlovy Vary Conference of European Communist Parties on European Security, and the Soviet repression of the 1968 Prague spring – was brought a step further.[398] The party gradually reconsidered its political line, both nationally and internationally. This repositioning, denounced by some as a 'socialdemocratisation' of the party, led the PCI to reassert itself during the 1970s as a central actor on the Italian political landscape and a more important player on the Western international scene. It also contributed to reinforcing the party's attractiveness to electors. By the early 1970s, the PCI – the largest communist party of the capitalist West and second political force in the country behind the DC – was rising in popularity. At the May 1972 political elections, the party obtained 27,15% of the votes. Berlinguer became the champion of a 'third way' to socialism: a new European communism independent both from the US and the USSR. This project relied on the assertion of Western Europe – and the EC itself – as a potential independent actor in the implementation of détente and of a new international economic order.[399]

Furthermore, the idea that the EC could become a positive actor to build an *'altra Europa'* thanks to an alliance of the forces of the European Left, was making its way to the leading spheres of the party. The two friends Giorgio Amendola and Giorgio Napolitano – often referred to as *Giorgio 'o chiatto* and *Giorgio 'o sicco* – were the most prestigious ambassadors of that new vision of Europe.[400] A conference on the PCI and 'Europe' was held in Rome, on 23-25 November 1971. The main participants were the MEPs and CeSPC who were *de facto* the definers of the party's

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[398] On the impact of these different events on the national and international positioning of the PCI, see for instance Maggiorani and Ferrari, *L'Europa Da Togliatti a Berlinguer*, 42–43. The Karlovy Vary Conference was a moment dischord between Communist parties regarding both West German *Ostpolitik* and détente and a moment of affirmation of autonomy for the PCI.

[399] In this view, the bipolar world of the Cold War would be substituted by a 'polycentric' world. There was a close and crucial connection between the PCI's emerging European strategy, and the development of its ideas on détente and peaceful coexistence. While the thesis of the EEC in its origins being a product of the Cold War was maintained, the belief grew that Europe had qualitatively changed, and that a "third force" Europe, increasingly autonomous from the United States, could be turned into an instrument of détente as well as domestic social and political change. Europe, in its continental scope, would be able to contribute to "the overcoming of the blocks" globally. See in particular Maggiorani and Ferrari, *L'Europa Da Togliatti a Berlinguer*, 42–43.

[400] In 1971, Amendola published a book entitled *I comunisti e l'Europa,* with the clear intention of providing an explanation of the communist strategy regarding the EC, but also explaining how the EP and other institutions worked and what the Community's action was in its different intervention sectors. It was a pedagogical work aimed at helping militants and party cadres to know the EC better. Giorgio Amendola, *I Comunisti e l'Europa*, Il Punto (Roma: Editori riuniti, 1971).

European policy.[401] In his closing speech, Amendola reasserted and summarised the PCI's vision regarding Europe, its importance for the process of détente, the need to engage with the EC, to establish contacts at European level with the left-wing forces, and the need to democratise the EC institutions and policies. Regarding democratisation, Amendola insisted on the important role of the EP and of an alliance of the Left, thanks to an "*impegno delle forze popolari e democratiche (...) delle organizzazioni popolari, dei sindacati, per affermare la necessità di una trasformazione democratica della Comunità*".[402] One year later, during the XIIIth national Congress of the PCI in Milan, the European question was also high on the agenda. European unity and integration became important issues for the PCI during those years. The party engaged in more concrete efforts in this regard, defining what could be called a "communist Europeanism".[403] By working inside the European institutional framework, the view was that the PCI would contribute to making Western Europe socialist.[404] The new "Europeanism" of part of the PCI leadership was linked to their focus on a parliamentary strategy, based on domestic and international alliances with social-democratic and socialist parties.

During the first years of the 1970s, therefore, the European Left was rising and the main socialist, social-democratic and communist forces of the member states of the EC had started to see the EC under a new light. If adequately reformed, it could become a useful tool to serve the interests of the workers, to fight against monopolies, to control multinationals, to increase social standards and economic democratisation, to apply European-wide economic planning, to implement détente and to revise the rules of international trade in favour of Third World countries, among other things. At a time when growing 'globalisation' was starting to be understood as an obstacle to

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[401] See the interventions of Nilde Jotti, Silvio Leonardi and Nicola Cipolla and Amendola in *I Comunisti Italiani e l'Europa: Atti Del Convegno Promosso Dal CESPE e Dai Gruppi Parlamentari Del PCI, Roma23-25 Novembre 1971*, Quaderni Di Politica Ed Economia 3, n.d.

[402] Ibid., 12.

[403] According to Maggiorani and Ferrari, who explain how this "communist europeanism" was in fact the result of "a complex ideological rethinking". Maggiorani and Ferrari, *L'Europa Da Togliatti a Berlinguer*, 11 and 212-233.

[404] This take on the "change from within" differed at the time from the PCF's. At a PCI-PCF meeting held in June 1970 in Rome, for instance, Amendola argued that it was genuinely possible through geographic and political "enlargement" to alter the ideological and political character of the EEC. Jacques Denis of the PCF sharply countered that there was "no objective basis for a [European] third force". The PCF delegation did nonetheless declare itself in favour of an "active presence" in and continued pressure on the EEC institutions, to make them "more democratic and anti-monopolistic". Bracke, "From the Atlantic to the Urals? Italian and French Communism and the Question of Europe, 1956-1973," 51–52.

the realisation of socialism in one country, the European Left convinced itself that this European organisation could become a means through which they might build a socialist and democratic Europe. One of the main challenges awaiting the European Left in those years would be their organisation and the strategies they would use to impose themselves at Western European level. The forces of the left would need to be able to build an alliance that was strong enough to propose an alternative European integration.

Increasing transnational coordination

During the early 1970s, coordination between left-wing parties in Western European countries – especially but not exclusively within the EC – started to make some significant progress. This was particularly the case for the socialist-and-social-democratic family, but also to a lesser extent for the communist parties.

Up until the late 1960s, as I explained previously, European socialists had been unable to consolidate their cooperation at European level so as to be able to exert real influence over the definition of the EC's economic and social orientations and the politics of European integration. The parties' formal cooperation at EC level – within the SI, the SPEC and the SGEP – remained weak, due mainly to internal organisation flaws.[405] The problem had been raised time and again, especially by Dutch socialists; it did not lead to any concrete organisational changes in the formal structures until the second half of the 1970s.[406] At the turn of the 1970s, the question of how socialists could strengthen their influence in an enlarged EC became increasingly debated. This

[405] Throughout the 1970s, formal cooperation of socialist parties mainly took place within the SI and the structure of the Socialist Parties of the EC. The 'Eurocentric' Socialist International placed European integration high on its agenda after the 1969 Hague Summit with the perpective of enlargement and deepening of the EC. The leading parties within the SI were the German SPD, the British Labour Party (decreasingly), and increasingly the French PS under Mitterrand. After 1976, with the election of Willy Brandt as its President, the SI underwent structural reforms and attempted to become more internationalist and less Eurocentric. Therefore, the Confederation of SPEC and became the major forum for European policy issues, and the SGEP one of its main levers. These organisations suffered from weaknesses due to their structural organisation: majority decision leading to resolutions adopted as the lowest common denominator, scarce financial resources and staff shortage, British veto, etc. Salm, *Transnational Socialist Networks in the 1970s*, 2016 chapter two.

[406] This was mainly because the different parties were reluctant to delegate competences and power at a supranational level – even more so as they saw European policy as a marginal problem. The SPD was reluctant about the idea of delagating competences to the supranational organisations of socialist parties – in particular through the institution of majority voting on resolutions – until around 1973. The British LP and the Danish remained reluctant throughout the 1970s. The Dutch labour, PvdA, on the other hand, always favoured and promoted a federal decision-making structure.

was encouraged by the prospects of enlargement and deepening European integration first, and later of direct elections to the EP.[407]

Henk Vredeling and Sicco Manshold both became particularly engaged in promoting the cause for a supranational European party of progressive socialists. Already by 1969, Vredeling and other social-democratic Europeanists had formed a 'European Political Action Group' to work for the creation of a European 'socialist' or 'progressive' party.[408] Early in 1971, the Dutch Labour party was pushing for the creation of a party with supranational competences and for "an urgent draft programme of European social-democrats".[409] With the prospective enlargement of the EC, the Scandinavians – in particular the Norwegian Labour Party – were also pushing in that direction and demanded the formulation of a 'European social democratic programme' from 1969 onwards.[410] Mansholt himself, as he attracted increasing international and public attention in 1972, was intensively preaching for the creation of a "new socialism" at European level (and on the global scale), starting with the creation of a European party.[411] In January 1972, in the prestigious Dutch left-wing newspaper *Het Parool,* he called for the creation of a "European congress of socialist parties" which would be competent to take decisions binding on national

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[407] At the Paris Summit in December 1974, after several years of discussions since the first opening in The Hague in 1969, the EC Heads of Government confirmed that there would be direct elections to the European Parliament 'in or after 1978'.

[408] HAEU, CSPEC-16 Bureau meetings, 'Déclaration du Groupe d'Action Politique Européenne', Bemelen, 18-19 October 1969. The declaration was adopted after a conference in Bemelen including "des membres de partis socialistes ou d'autres partis progressistes des pays d'Europe occidentale venus à titre personnel" (p.1). It decided to create a Groupe d'Action Politique Européenne, whose task will be to submit proposals to a Congress to be held publically in spring 1970. The proposals would aim at democratising, at all levels, the political, economic and cultural life in Europe; it would draft a European political programme and one of its important goals will be the election of the EP asap. In this regard, the group considered necessary to create a "European Progressive Party" and to work closely with the trade unions, socialist parties, progressive parties, or cultural and political groupings that sought strengthening and revival of democracy in all Europe. HAEU, GSPE-051-FR-A (1970), Henk Vredelink, 'Vers un parti progressiste européen', pp. 96-108. The article was first published in the PvdA's monthly journal *Socialisme en Demokratie* n°3/1970.

[409] HAEU, GSPE-052-FR-A, 'Document d'information - Résolution sur l'Europe adoptée par le Partij van de Arbeid', 6 February 1971 pp. 74-75, here p. 75. The resolution adopted by the PvdA insisted that social-democratic forces urgently needed to integrate and cooperate and that the powers of the EP need to be extended to guarantee democratic control in Europe. It charged the director Committee of the party to draft a proposition aiming to organise a European congress of social-democratic parties in 1972 and to draft "an urgent draft programme of European social-democrats" (p.75); the proposition should then be submitted to the members of the Liaison Bureau and the GSPE, as well as socialist parties of candidate member countries. The aim was to lead to the creation of a European progressive party with supranational competences.

[410] Kristian Steinnes, "The European Turn and 'Social Europe'", in Kaal, "Constructing a Socialist Constituency. The Social Democratic Language of Politics in the Netherlands, c. 1890-1950," 363–84.

[411] Mansholt was probably approached already in previous years by Vredeling about this project. Merriënboer, "Sicco Mansholt and 'Limits to Growth,'" 327.

parties and parliamentary groups.[412]

In the early 1970s, the SI, the Liaison Bureau and the Socialist Group of the EP all agreed that their policy objectives could not be achieved without a supranational structure for party-political cooperation.[413] With the notable exception of the British Labour, during the first half of the 1970s most parties gradually started to advocate the creation of a supranational political party structure and the adoption of a common socialist programme, whose implementation should rely in large part on a strengthened and directly elected European Parliament. They started to envisage efforts to make their decision-making more efficient, binding, and enhance their influence on EC policy-making.[414]

Recent research on transnational party networks show how formal and informal cooperation between European socialist parties increased during the 1970s. Although there were no significant improvements to strengthen formal cooperation until 1974-76, there was increasing awareness that efforts were necessary in that direction. Moreover, as Salm shows, the lack of efficient formal supranational party cooperation was compensated by increasing informal cooperation during the 1970s, as well as through various transnational contacts and networks at the EC level and beyond. This included the informal party leaders' meetings of the SI, and independent political foundations like the Friedrich Ebert Foundation (*Friedrich Ebert Stiftung*: FES), which was close to the SPD and organised meetings of high-ranking European politicians, conferences and seminars, drafted policy papers and created informal networks between politicians, decision-makers, researchers, experts, journalists, etc.[415] In sum, although nothing like a supranational European socialist party took shape, there was a clear consensus among socialist parties on the need to increase and improve their transnational cooperation, and to draft a common European policy.

At the same time, the main communist parties of Western European countries were also strengthening transnational contacts and networks, and increasing their

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[412] HAEU, GSPE-053, 'Les socialistes en Europe doivent gagner en influence' (déclaration de Sicco Mansholt), *Het Parool*, 3 January 1972, pp. 23-25. The article called for a revision of socialism in Europe (socialism needs a "new Marx") and regreted that the impact of socialist parties on European events are "practically null" (p. 24) and that socialism in Europe is fragmented at a time when capitalism is growing stronger and when a socialist reflection is more necessary than ever.

[413] The president of the Liaison Bureau, Lucien Radoux, and the chairman of the SGEP, Francis Vals, proposed to reform the Liaison Bureau to give it a more appropriate structure. It was transformed into the Office of the SPEC in 1972 then the Confederation of Socialist Parties of the EC (CSPEC) in April 1974.

[414] Hix and Lesse, *Shaping a Vision*. See also Lightfoot, *Europeanizing Social Democracy?*, 30.

[415] Salm, *Transnational Socialist Networks in the 1970s*, 2016, chap. 2.

cooperation. The Italian PCI's repositioning and its search for a 'third way' to socialism was paralleled with a shift of its political frame of reference: moving away from the international communist movement towards the prospective accession to Western European socialism.[416] To promote its idea of a new democratic, independent and peaceful Europe "neither anti-Soviet nor anti-American", Berlinguer and his party were engaging efforts into organising summit meetings between Western communist parties.

A series of West European communist conferences and meetings took place in the early 1970s. In 1971, all Western European communist parties gathered at a congress in London, including the usually reluctant Dutch and Swedish parties, to discuss the growing problem of how to control multinationals, and agreed that more sustained contacts between parties were necessary, especially between parties of the EC. The Italian, French and Belgian communist parties later met to discuss this endeavour and planned a conference in October 1972, to be held in parallel with the Paris Summit of the Heads of State of the EC.[417] From 1972-73 on, the PCI's efforts to favour cooperation between Western European parties started to be much more fruitful. In particular, the party engaged a rapprochement with Georges Marchais' PCF, which was encouraged by the PCF's changing position regarding the EC after signing its common programme with the socialists. On 8-11 May 1973, a meeting took place between delegations of the two parties led by Enrico Berlinguer and Georges Marchais. During the meeting, both leaders agreed on the importance of political engagement within the EC.[418]

The changing stance of the Italian and French communist parties towards the EC, together with the major unification and assertion of European trade unions within the new ETUC, contributed to opened new perspectives for the socialist parties of the EC to build a solid left-wing alliance for a 'social Europe'. With the rise of the European Left in Western Europe, the consolidation of their European policies and of their will to coordinate at EC level, chances to actually impact the politics of European integration were rising. The Hague '*relance*', with the prospects of

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[416] Maggiorani and Ferrari, *L'Europa Da Togliatti a Berlinguer*, p.40.
[417] Due to organisational disputes, however, the October 1972 conference did not take place. A preparatory meeting took place in Dusseldorf at the beginning of the month, where the Italian, French, German, Norwegian, Danish, Belgian and Dutch communist parties gathered, but an organisational misunderstanding led the British party not to attend, and the meeting ended with no concrete decisions. See Ibid., 52.
[418] Ibid.; Silvio Pons, *Berlinguer e La Fine Del Comunismo* (Torino: Einaudi, 2006).

enlargement and of the creation of the economic and monetary union, had already encouraged greater organisation of the European Left. With the commitments taken by the governments of the EC at the 1972 Paris summit for "vigorous" action in the social field, and with the prospect of a Community social action programme, the context was favourable to further steps. In April 1973 at their Congress in Bonn, the socialist parties of the EC made their first concrete attempt to put forward a comprehensive programme for a "social Europe".

3. The European Socialists' design for a 'Social Europe'

The Bonn theses "For a social Europe"

On 26 and 27 April 1973, the socialist and social-democratic parties of the EC organised their IXth Congress the city of Bonn, the 'provisional capital' of West Germany situated on the banks of the Rhine. The theme of the Conference was eloquent: 'For a Social Europe'.

It was the first Congress of the socialist parties of the EC since the enlargement of the Community; the Irish Labour Party (*Páirtí an Lucht Oibre*) and the Danish *Socialdemokratiet* were represented, but the British Labour party boycotted the congress. Participants included the German minister for Labour and Social Affairs Walter Arendt, the German Secretary of State for Labour and Social Order Helmut Rohde, the Secretary General of the French PS François Mitterrand, the Irish Labour minister Michael O'Leary, the adjunct responsible for the international relations of the Italian PSI Mario Zagari, vice-president to the Italian Senate Egidio Ariosto (PSI), the Belgian vice-minister Louis Major, the adjunct vice-president of the Luxembourg Labour Socialist Party Antoine Vehenkel, the Austrian vice-president of the International Socialist Bruno Pittermann, the French vice-president of the SGEP Francis Vals, and the adjunct vice-president of the SGEP, Henk Vredeling.[419]

Under the Presidency of Lucien Radoux, vice-president of the SGEP, the participants discussed their ideas and political objectives for the realisation of what they now unanimously termed 'Social Europe', or the 'European social union'. The parties took as a starting point the observation that social issues could no longer be

[419] This is a list of the participants present at the press conference on 27 April. HAEU, GSPE-USPEC-131.

confined to the national sphere while economic and political integration was taking place at the supranational level. In Helmut Rohde's own words, this Congress had "a historical importance", because for the first time the socialist parties of the EC were trying to adopt a common position on a theme that resonated particularly with their doctrines and with the preoccupations of the times: social policy, social Europe.[420] The objective set was to define the socialists' programme for a social Europe. To this end, the participants discussed how to establish an efficient European employment policy, to improve working conditions in the Community, to define fundamental principles for a Community social security, to democratise the economy and the Community's institutions, and so on.

At the termination of the Congress, the parties adopted a seminal document that listed a series of "theses for a social Europe"; it was a collection of concrete proposals for the creation of a "European social union".[421] In 'For a Social Europe', the socialist parties declared that "*la Communauté Européenne doit devenir une région du globe à la pointe du progress social*" and that "*La Communauté ne doit pas être l'Europe des banques et des concentrations industrielles. Elle doit être au service des travailleurs*".[422] The preamble to the 20-page document announced the general guidelines of their proposals:

> Les partis socialistes des pays de la Communauté Européenne sont partisans d'une Europe unie. Ils pensent que cette Europe ne peut être qu'une Europe sociale. Dans tous les domaines de la politique européenne, il faut s'inspirer d'objectifs sociaux. Une politique purement économique et monétaire ne saurait être que fragmentaire si elle ne s'inspire pas des objectifs d'une *union sociale européenne*. L'amélioration des conditions de vie et de travail des Européens doit être le critère de toute action politique.[423]

The fundamental principles of the social policy outlined by the parties reiterated in part the broad vision of social Europe put forward by Brandt during the October 1972 Paris Summit: European integration should become a motor for a social and democratic Europe guaranteeing security, freedom, equality, social justice and better living and working conditions for all. The socialist parties affirmed their will to take

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[420] 'Le Congrès des Partis Socialistes de la Communauté,' *Agence Europe*, 30 April-1st May 1973.
[421] HAEU, GSPE-131, 'Pour une Europe Sociale', 26-27 avril 1972, 20 p. The document listed the theses into seven categories: 'Fundamental principles of social policy in Europe', 'Right to work', 'Humanisation of the environment', 'Social security in Europe', 'Democratisation of the economy in Europe', 'Social guideline of the income policy', and 'Perspectives'.
[422] HAEU, GSPE-131, 'Pour une Europe Sociale', 26-27 avril 1972, 20 p., here p.2.
[423] Ibid, p. 1, my italics.

on the "historical task" of influencing European integration by affirming the political weight of workers in the Community's institutions: "*Les travailleurs et leurs représentants au sein des partis politiques et des syndicats doivent contribuer activement à la definition de la politique communautaire*".[424] The document reasserted this vision of social Europe as a third way, an alternative to both authoritarianism and to capitalist *laissez-faire*, and an ally for the Third World: "*la base d'une solidarité européenne externe à l'égard du Tiers Monde*".[425]

Beyond those broad declarations of intentions, the parties advocated the adoption of a binding social action programme by the Community, as agreed by the member states during the Paris Summit. To guide this action programme, the parties made a series of concrete proposals. A closer look at these proposals is necessary to understand both the scope and the practicality of their programme, and to eventually assess the influence of these very proposals on the measures adopted at the Community level, starting with the SAP.

The first objective of the socialist parties was to guarantee the right to work – understood as guaranteed full and stable employment, equal professional opportunities for all (suppression of all discriminations), and access to employment in accordance with the skills and aspirations of the workers. To implement this right, the parties affirmed that "economic planning at the European level" and democratic control in every strand of the economy, were necessary and should be formulated in collaboration with trade unions.[426]

Therefore, to ensure the right to work, the Bonn theses first advocated a democratisation of the EC's institutions. For instance, the ESC and the SCE should be reformed and rendered more representative (only trade unions and employers should be represented on the side of the 'social partners') and more influential.[427] In addition, they proposed the creation of a central European service for employment ('*Office*

[424] Ibid, p.4.
[425] Idem.
[426] Ibid, p.6.
[427] IISH, CSPEC-8, 'Summary of A. Spinelli's speech during 9th Congress of the SPEC': underlines that the development of a viable social policy at the Community level is only possible on the condition of a precise commitment of European political forces, and in particular socialist forces. Harmonisation of working conditions, regulation of assembling lines work, were exemples given by Spinelli. "Mais au delà de ces exemples (…) M. Spinelli a souligné que la creation d'une Europe sociale devra se faire sur la base de décisions legislatives et institutionnelles au niveau de la Communauté" (p.2). These include co-decision powers to Parliament, reform of relations between institutions. This confirmed the 'institutionalist' approach of the commitment of convinced European socialists in the early years (cf. Spinelli's manifesto).

européen du Travail') whose task would be to survey and inform on the trends of the labour markets in Europe. Moreover, they held that a coordinated employment policy, the right to information, and social security for all should supplement freedom of movement.[428] Measures that needed to be considered by the EC included: workers protection against mass dismissal; the definition of legal conditions for collective conventions and protection agreements at the European level in cases of restructuring; an efficient European vocational training policy; eased intervention of the ESF regarding employment problems and to help structural change; better coordination of the (forthcoming) Regional Fund, Social Fund, Agricultural funds and Investment Bank.[429] Finally, the parties advocated a common policy regarding workers from third countries, a problem that was starting be an increasing preoccupation for the member states.[430]

The second broad objective was to work for a "humanisation of the environment".[431] At a time when industrial production methods were increasingly unbearable for industrial workers – with the generalisation of the assembly-line work, the acceleration of production lines due to increasing mechanisation – it was deemed urgent to adapt those new methods to the needs and the capacities of workers. The inhumane work pace and working conditions at the assembly line had been one of the main sparks of the revival of working class militancy since the 1960s.[432] It had become an important concern of the European Left in search of reassertion among working classes. Concretely, the parties advocated: a drastic increase of investment in research on the social organisation of work; strengthening protection of women and young people at work; improving security at work and improving the quality of the

[428] The document stated that free movement should not become a social constraint when enterprises relocate on purely economic motives or because regional structures were modified; to this end, regional development and local vocational training should be encouraged.
[429] In this vein, the parties agreed, a common regional policy should ensure an equitable repartition of employment in all regions; capitals should be invested in low industrialised regions with high unemployment rates, to offer employment in region of origins of workers.
[430] Comte, "La Formation Du Régime Européen de Migration, de 1947 à 1992," 211–301. The document advocated inclusion of these workers within the same social rights as Community workers, including the right to participation in enterprises. Moreover, the parties called the Community and member states to consider favouring the transfer of industrial skills and tools in tier countries from where most foreign workers were originating, in order to encourage development in those countries and reduce the flux of immigration. This was in line with the proposals put forward by Mansholt at the head of the Commission during the 1972 Paris summit.
[431] Ibid, p. 10.
[432] For two fascinating illustrations of how the worsenning conditions at the assembly line stirred increasing contestation in the car industry in Italy and France, see Nanni Balestrini, *Vogliamo Tutto: Romanzo* (DeriveApprodi, 2004); Linhart Robert, *L'établi* (Paris: Editions de Minuit, 1978).

workplace environment; defining binding minimal norms for health and security at work at EC level (in collaboration with the ILO); protecting and improving the environment to improve living conditions ("*politique européenne de la société*"); applying the 'polluter pays' principle, investing in non-polluting products and clean technologies (through EURATOM), and setting European minimal environmental norms for production.

Regarding social security in Europe, the parties outlined a third objective: to adopt a "Charter of fundamental social principles" that should become the basis for ulterior development of social security in the EC, in the framework of the future Social Action Programme (SAP).[433] For instance, the charter would state: that there can be no more blind spots in social security in Europe (social security regimes should be opened to those who could not access them until then); that "*en cas de maladie, d'invalidité, de vieilesse et de chômage ou dans d'autres circonstances analogues, les prestations sociales doivent permettre le maintien du niveau de vie acquis grâce à l'activité professionnelle*"; that "*les prestations sociales doivent être constamment adaptées à l'accroissement du potentiel économique des Etats membres*"; that mentally and physically handicapped people have a right to a complete system of medical, professional, and social retraining to enable their social participation; that those who are experiencing particularly difficult living conditions should all have access to public aid; or that "European social planning" should be established through the creation of a "European social budget" aimed at comparing the evolution of social allowances in the various member states.[434]

Another crucial objective of the parties was to set "social guidelines for an income policy" that would enforce one of the backbones of social Europe: "equitable repartition and security of incomes". Since economic forces alone cannot ensure social justice in the repartition of incomes and assets, the parties affirmed that intervention was needed to ensure a more equitable repartition of wealth and to avoid the concentration of wealth in few hands. A common income policy should therefore

[433] Note that this Charter would not mean unification of member states' social regimes – which was not desired by socialist parties at this point of their countries economic integration because of fundamental differences in their economic organisations and social regimes – but a "qualitative approximation, in progress, of social security regimes of the Community". Ibid, p. 13.
[434] In accordance with the 'European social budget proposal put forward by the German government in previous years, this proposal envisaged the inventoring of social costs with a view to contributing to the orientation, and harmonisation of social allowances in Europe and to guide economic and financial policies according to the objectives of social policy. Ibid, pp. 13-14.

allow the redistribution of wealth and encourage asset-building policies for workers. This policy should encompass workers' incomes, social benefits and collective services. For instance, the document expressed the need to adapt taxation and social security systems to the social situation and necessities of individuals; to rethink subvention systems in member states and at the Community level; to create statistical data on all incomes, including employed and self-employed workers (such as farmers but also all types of entrepreneurs). Understood in this way the 'income policy' advocated by socialist parties in their seminal document had little to do with the anti-inflationary income policies attempted by several European governments during the 1960s and 1970s, which were primarily aimed at containing wages and prices.[435] This ambitious idea of income policy relied on fiscal and investment policies coordinated at EC level to ensure wealth redistribution.

Finally, a keystone of the socialist parties' 'theses for a Social Europe' concerned economic planning and a democratisation of the economy. This resonated with the discussions that emerged in European socialist networks after Mansholt's proposals to change the EC's economic policy: questioning the private ownership of the means of production, Mansholt was advocating controlled production, economic planning and, as a counterpart, the implementation of a "new kind of democracy". These ideas generally triggered enthusiasm within European socialist circles. When he met with the SGEP and the Bureau of the SPEC in May 1972, Mansholt had explained:

> Nous devons donc prévoir une autre société, dans laquelle une planification, une programmation et aussi une exécution à l'échelle

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[435] Against the social and economic inconveniences caused by mounting inflationary pressures since the 1960s, governments were trying to contain inflation by implementing 'incomes policies' broadly aimed at containing prices and wages. Consultation of trade unions and employers under government auspices were sought in several countries in order to favour 'voluntary incomes policy' instead of compulsory incomes policies or worse deflations, which were highly unpopular with left-wing parties and trade unions. These initiatives were put forward in the UK and Germany during the 1960s and early 1970s, by left- and right-wing governments alike. In the UK, an agreement on wage containment with the unions was sought by Conservatives then by the Labour government in the UK during the 1960s; it became a very controversial issue that divided the LP and the relations between the labour government and the TUC in 1969 after the then Employment Minister Barbara Castle issued a report unhappily entited 'In place of Strike'; and again after 1974 under the Callaghan Labour government. Although the question was dividing the Left in Europe, socialists were not generally opposed to the principle. As Sassoon notes, "To reject any form of incomes policy as a matter of principle amounts to accepting the primacy of market preference over social needs in the determination of wages: a hard principle to justify if you are a socialist and insist that all major economic variables must be regulated. Over the long or medium term an incomes policy may be acceptable to workers if the eventual distribution of income is considered to be fair." See Sassoon, *One Hundred Years of Socialism*, 1996, 365–66. This question will be developed in the following chapters.

européenne seront instituées (…) Je crois que, si nous sommes forcés d'une part, d'accepter, que nous le voulions ou non, une économie et une distribution dirigées et une production contrôlée, nous devons trouver la contrepartie dans un nouveau type de démocratie avec une responsabilité plus grande des hommes, au niveau général mais aussi au niveau des entreprises ainsi qu'au niveau local et regional.[436]

The theme of economic democratisation was also, as mentioned already in chapter two, a response of the Western European Left to the revival of working-class unrest in the 1960s. The basic aim was empowering the workforce by encouraging greater consultation and shop-floor democracy. It had become one of the keywords of social-democratic parties and unions after 1968, in Scandinavia in particular. At the turn of the 1970s, social-democratic forces in Norway and Sweden were increasingly calling for *Industrielt Demokrati*, which comprised the principle of 'co-determination' (workers' right to information and to participating in the firms' administrative councils), and the introduction of wage-earner funds for workers to purchase and collectively control a growing share of the private sector. In Denmark, under Aksel Jorgensen's leadership, *Socialdemokratiet* supported the realisation of a plan inspired by the principles of 'economic democratisation'.[437] In Germany, after the widespread unofficial strikes of September 1969 and under pressure from union leaders with the backing of the SPD, the government promised in 1972 to extend co-determination (*Mitbestimmung*) in industry to match the system that had operated in the coal and steel industries since the early 1950s. The law was passed in 1976.[438]

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[436] HAEU, GSPE-054-FR, 'Réunion exceptionnelle du groupe socialiste et du Bureau des partis socialistes de la Communauté européenne - Exposé de Sicco L. Mansholt', Bruxelles, 29 mai 1972, pp. 63-80, here pp. 77-78. At the extraordinary meeting organised with the SPEC and the SGEP in May 1972, Mansholt declared: "Pouvons-nous continuer à nous fonder sur une société axée sur le profit tant que les moyens de production sont encore propriété privée ? La propriété personnelle, en tant que telle, importe peu si on enlève tous les droits qui en dérivent. Il s'agit donc de savoir dans quelle mesure la libre disposition des moyens de production doit être limitée pour répondre aux besoins à venir. L'énergie et l'utilisation des matières de base devront être dirigées." HAEU, GSPE-053, 'Projet de procès verbal, réunion exceptionnelle du groupe socialiste et du bureau des partis socialistes de la Communauté européenne', Bruxelles, 29 mai 1972 - Echange de vues avec Sicco L; Mansholt, Président de la Commission de Communautés européennes, sur les observations qu'il a présentées en vue de définir une politique économique nouvelle (lettre du 9 février 1972 de Mansholt à Malfatti)', pp. 285-305.

[437] The principle of Economic democratisation was officially integrated in the programme of the Swedish social-democratic party (the SAP) in 1975, and in 1976 the 'Meidner Plan' was presented by the centre-left government regarding employees funds and participation in enterprises; a co-management law was adopted on its basis. See for instance Silei, *Welfare State e Socialdemocrazia*, 2000, 338–49.

[438] To demand some form of industrial democracy became a common reaction to the high level of unofficial strikes in countries with a centralised trade union movement. It was a way for social-democratic parties and unions of re-establishing some order in industrial relations so as to reassert the authority of the trade unions. This was taken seriously mainly in countries such as Sweden and

By “democratisation”, the parties intended sought in their Bonn document a profound reorganisation of the decision-making structures in the public and private sectors and institutions, so as to ensure that workers intervene in all decisions of all sectors of the economy. Regarding democracy in firms, the parties agreed that workers’ control needed to be significantly increased. To do so, the ‘theses’ broadly advocated a dual system of co-management inspired largely by the German and Scandinavian experiences. It is worth reproducing this point in full because of the importance it took on in the project of the socialist Left for a social Europe and of the tensions it aroused:

> La participation des travailleurs requiert un statut moderne de l’entreprise. Il faut instituer, dans toutes les entreprises, un comité d’entreprise disposant d’un droit, garanti par la loi, de participation et de cogestion dans l’intérêt des travailleurs. Ce droit doit porter sur toutes les questions sociales, personnelles ou économiques qui se posent dans l'entreprise. Sur le plan social, le droit de cogestion du comité d’entreprise doit humaniser les conditions de travail et les relations du travailleur avec l’entreprise. Sur le plan personnel, le droit de participation des travailleurs doit permettre le respect intégral de leurs intérêts légitimes tant à titre individuel qu’à titre collectif en ce qui concerne la gestion du personnel, la formation professionnelle et certaines mesures individuelles (embauchage, licenciement, regroupement). Sur le plan économique, le droit de cogestion et le droit à l’information des travailleurs doivent permettre aux représentants de ces derniers d’être informés en temps utile et de manière approfondie de toutes modifications apportées à l’entreprise et d’être associés aux actions visant à faire face aux répercussions sociales de ces modifications. Les travailleurs doivent être représentés dans les organes de direction de l’entreprise. Lorsqu’il existe un conseil de surveillance, les travailleurs et les employeurs doivent y être représentés sur une base d’égalité des droits et des voix. Tout tiers, membre du conseil de surveillance, doit jouir de la confiance à la fois des travailleurs et des employeurs ou être désigné par les uns et les autres sur une base paritaire. Ainsi seulement, la participation des travailleurs aux décisions de l'entreprise pourra être à la mesure de leur importance face au capital, des responsabilités qu’ils assument dans l’entreprise et des risques inhérents, pour eux, sur le plan matériel et sur celui des conditions d'existence, au sort de l'entreprise.[439]

In sum, the theses ‘For a Social Europe’ adopted by the European socialists at

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Germany, where a tradition of co-operation existed between government and a centralised trade union movement. In Britain, France and Italy, among others, industrial democracy remained a demand articulated by a minority and took different forms. The principle of autogestion prevailed in France and Belgium, but little was done to find ways of implementing it and the idea remained rather vague at the time according to Sassoon. Sassoon, *One Hundred Years of Socialism*, 1996, 374–75.

[439] HAEU, GSPE-131, ‘Pour une Europe Sociale’, 26-27 avril 1972, 20p., here pp. 15-16.

their April 1973 Congress in Bonn were ground breaking in many regards. It was their first concrete, comprehensive attempt to formulate their design for a Socialist Europe. The social Europe project thus taking shape proved to be quite ambitious. First, and importantly, its proposals entailed both more supranational competences at EC level and increased transnational social and economic coordination of governments at EC level. Moreover, the fundamental principles of 'social Europe' were being explicitly put forward for the first time. They included the right to work; humanisation of the environment; a "Charter of fundamental social principles" ensuring access to social protection to all; increased social planning at European level; income security and redistribution (through investment directing, progressive taxation, asset-building-policies, income maintaining benefits); economic planning, economic democratisation, and greater control of multinationals.

The difficult alliance of "all progressive forces" of the Community

The course of the 1973 Bonn Congress and its participants' effort to adopt a common programme for a social Europe revealed profound divergences between the socialist parties – in their perspectives towards both the EC and socialist doctrine *per se*.

In particular, the question of workers' "control" gave rise to clear divergences on the notions of "participation", *"cogestion*", and *"autogestion*". Although all parties agreed that workers' *control* over large enterprises – especially multinationals – should be enhanced, conceptions varied from one country to another on how to actually implement it. In his intervention during the congress, Mitterrand underlined that each country should proceed according to its own socio-economic reality: *"La cogestion peut signifier de grands progrès si elle se traduit par un accroissement du contrôle exercé par les travailleurs, mais pour le parti socialiste français le terme "contrôle" ne peut être confondu avec "cogestion" ou "participation", conceptes qui, en France, ont été utilisés à l'avantage du patronat".*[440] French and German views diverged greatly on these concepts. The PS and SPD were indeed unable to reach agreement on this point and decided that the problem would be discussed directly by the party leaders during their next bilateral meeting: Brandt was going to receive the visit of a delegation of the PS led by Mitterrand in Bonn a few weeks

[440] 'Divergences franco-allemandes au IXe Congrès des partis sociaux-démocrates de la Communauté', *Le Monde*, 29-30 April 1973.

later, on 24 May 1973.

In the meantime, a footnote was introduced in the adopted text that explained the position of the French PS on the issue:

> le Parti socialiste français estime que la marche vers la démocratie économique ne passe pas par la cogestion dans les entreprises privées. Il est sur ce point en plein accord avec toutes les organisations syndicales françaises. Il préconise l'extension des nationalisations avec la décentralisation de leur gestion et, dans le secteur privé, l'accroissement des pouvoirs d'information et de contrôle des travailleurs. L'originalité de sa position est de se placer dans la perspective de l'autogestion s'exerçant dans le cadre d'une planification démocratique.[441]

The Italian socialists had a similar take on this issue. The PSI also demanded the insertion of a footnote to outlining its understanding of workers' control as an objective of self-management to be attained in the context of democratic planning. The Italian addendum stated:

> The PSI is in Italy against those forms of worker participation which tend to place workers in a subordinate position in the hierarchy of managerial responsibility. For the PSI democratization of the economy must be achieved via democratic planning for the development of employment and incomes, capable of devising ways and means of intervening to control and channel investments and to adjust the production programmes of the major companies (including subsidiaries of multinational undertakings) to the objectives of economic and social development set by society as a whole: the contribution and weight of the workers' movement must be decisive in shaping these instruments.[442]

These were not points of detail – or mere footnotes – as in reality they denoted very different conceptions of what socialism should achieve and the political economy that should be implemented both at the national and at the Community level. The French socialists in particular, tied to their allies on the Left and to the French trade unions, at the time advocated nothing less than a peaceful and democratic overthrow of capitalism, mainly through extensive nationalisations and through 'autogestion'. 'Autogestion' – self-management – contrasted fundamentally with the dual model of 'cogestion' praised especially by the social democrats of Germany and the Scandinavian countries. It assumed nationalising key sectors of the economy and

[441] HAEU, GSPE-131, 'Pour une Europe Sociale', 26-27 avril 1972, p.15.
[442] HAEU, GSPE-058-EN (1975), 'Extract of the resolution adopted at the 9th Congress of the SPEC in Bonn on 26th and 27th April 1973', pp. 294-296; here p. 295.

transferring the control and management of private enterprises in all sectors to the workers organised in *workers' councils*, whereas 'cogestion' (co-management) was premised on giving equal weight to employers' as to workers' representatives within *works councils* – therefore proportionally advantaging the employers and underrepresenting the workers. It was therefore two completely different conceptions of economic democratisation, of workers 'control' and of the reorganisation of power and ownership structures within the economy.

Whereas 'cogestion' had become an important part of the claims of social-democratic forces in Germany and in Scandinavian countries, during the 1970s 'autogestion' became an unavoidable issue for left-wing forces in France. As historian Frank Georgi suggested, during thoses years the concept was increasingly invoked by parts of the Trotskyist, anarchist, or *conseilliste* left; by feminist groups and ecological movements; by the PSU, the CFDT trade union and several other associations with left-wing Christian roots; as well as the PCF and even the most moderate part of the PS. Interpretations and content given to the concept diverged greatly between these actors, and often remained vague. For CFDT leader Eugène Descamps it was associated with participation and 'cogestion' whereas for PCF leader Maurice Thorez it was the essence of real communism together with nationalisation.[443] Therefore, even within the French Left, both reformist and revolutionary understandings of autogestion coexisted. At that point in time, in April 1973, the meaning given by the PS and the adherents to the common programme of the French Left, and by the Italian socialists, however vague, did lean towards a more revolutionary understanding of the term and thus collided with the 'Nordic' view.

To try and unpick this disagreement, the final version of the 'theses for a social Europe' specified that there was no incompatibility between cogestion in a firm or an enterprise and the workers' position as a "*force contrebalaçant celle des employeur*".[444] On the contrary, it stated that institutionalised participation and cogestion would strengthen the influence of trade union representatives in the interest of workers. It is clear from the final version of the 'theses' that the German SPD was

[443] The French trade union CFDT, born in 1964 with the laicization of the Christian trade union confederation CFTC, was among the first proponents of autogestion after 1968 in France. It was in line with other European Christian trade unions that saw in autogestion the possibility of a third way between socialism and liberalism. Frank Georgi, "L'autogestion En France Des 'Années 1968' Aux Années 1980. Essor et Déclin d'une Utopie Politique," *La Pensée* 356 (2008): 87–101.
[444] HAEU, GSPE-131, 'Pour une Europe Sociale', 26-27 avril 1972, 20 p., here p. 15.

not only the initiator and the organiser of the Bonn congress, and the proposer of the draft common declaration, but also managed to broadly impose its views and its programme for a social Europe on its European partners.[445]

Several aspects of this emerging social Europe project – especially regarding economic democratisation and a common income policy – remained vague and aroused caution in every delegation.[446] However, the parties managed to adopt an early form of common platform, which – although it was not binding – opened the way for greater coordination and commitment to implement a social union at Community level. The SPD certainly hoped to convince its partners, with the backing of the trade unions, to subsequently adopt a firmer common position on the most sensitive issues, like cogestion. Indeed, the question of workers' control had also been at the centre of discussions in European trade unions since the late 1960s, and was strongly supported by the ETUC's leaders.[447]

The Bonn Congress and the declaration 'for a social Europe' intended first and foremost to pave the way for a consolidation of the socialist and social-democratic

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[445] Compare for instance the Bonn theses with the German proposals contained in: HAEU, GSPE-USPEC-131, 'Auf dem Weg zu einem sozialen Europa' article by Rudi Adams, who was also the author of Rudi Adams, Friedrich Ebert Stiftung, *Sozial- und Gesellschaftspolitik in der Europäischen Gemeinschaft*, Verlag Neue Gesellschaft, Bonn-Bad Godesberg, June 1973, 128 p. Also HAEU, GSPE-USPEC-131, 'Speech by Helmut Rohde (State Secretary of West Germany for Labour and Social Affairs) at the 9th Congress in Bonn: 'Für ein Soziales Europa''.

[446] See for instance the Irish LP's amendments to the theses in IISH - CSPEC-8, 'Amendments to the 'theses' by the Irish Labour Party'. The Irish delegation insisted that progress towards democratic control of the economic process at enterprise, national and Community level must be pursued, but diversity of approach must be recognised according to national context – through taxation policy, nationalisation or socialisation or through worker share-holding at enterprise or national level – but workers' counterweight to be effective must be institutionalised at enterprise level. It also insisted that inflation should be fought through involvement and participation of all socio-economic forces in the process of policy-making and policy-implementation at national and Community level – to achieve a European-wide income policy. See also IISH, CSPEC-8, 'Social Democracy in Denmark', document commenting on 'Towards social justice in Europe' and explaining the Danish delegation's position on economic democracy.

[447] Although it was also a subject of much debate among the unions. This will be detailed in the next chapters. HAEU, GSPE-051-FR-A, 'Communication - La cogestion dans la société anonyme européenne', p. 173. Since the mid-1960s, in the framework of the discussions on the creation of a statute for a European Company (Société Anonyme Européenne, SAE), the EFTUC/ETUC set up a working group called "Démocratisation de l'économie", and issued on 15 April 1970 a press release on its vision of workers' participation within SAE, following a dual model of cogeston. See also HAEU, GSPE-057-FR-A, 'Colloque européen de 1974 : la participation au centre des discussions', 4 July 1974, pp. 378-379. The discussions that took place during the 23th European workshop held in Recklinghausen on 29-30 May 1974 were centered on the question of workers' "participation". Participants included representatives of the German DGB, Belgian, Danish, French and Dutch trade unions, as well as representatives from the ETUC and European Commission. Although the unions agreed in principle that they needed to coordinate their action at EC level and that workers' rights in multinational firms should be institutionalised at EC level, important divergences appeared between the trade unions on the concept of participation. In particular, the French and Belgian idea of workers' control contrasted with the idea of cogestion defended by the German, Danish and Dutch unions.

parties' unification at the European (EC) level. It was the first time that the SPEC were meeting to discuss a specific policy issue. Against the differences that divided the parties, it indirectly aimed to integrate the reluctant parties into a transnational party-family structure at EC level. By focusing on policies rather than tackling an ambitious plan to create a European socialist party and to reform the EC's institutions, the participants hoped to bring the Irish and Danish parties and the absent British Labour around to the idea that another Europe was possible. It was also a way to federate the whole socialist family of the SI, beyond the EC, around this idea of European integration. Nevertheless, the differences that emerged during the Congress were significant and eventually the French and Italian parties abstained during the vote on the Bonn theses, consequently undermining the impact of the common text.[448]

Despite these "wide rifts", with the adoption of the theses 'for a social Europe', the socialist and social-democratic parties became "the sole political movement to possess a social programme in readiness for next year's work on social policy in the Commission".[449] Moreover, although in a way it came down to the lowest common denominator, the initiative had the advantage of highlighting the differences among parties, thus providing a starting point for examination and for elaboration of a European 'socialist movement'.

Indeed, to attain the implementation of a European 'social union', the socialist parties invoked, in the last section of their document – "perspectives" – the need to bring all progressive forces closer to the European integration project and to work together for a social Europe: "*Le chemin à parcourir pour atteindre à l'union sociale est un défi lancé à toutes les forces progressistes de la Communauté*".[450] This social union would aspire to suppress all discrimination and build a more "humane" society, and they believed would therefore appeal not only to European workers but also to the European youth, to women, disabled people, and the elderly, among others. The Bonn theses embodied the socialist parties' attempt to use the EC as a vehicle for social, economic, and political progress, so as to reassert themselves as the parties of the workers and of the left at a time when contestation was high. From this perspective, the SPEC parties called for – and committed to – greater cooperation between them,

[448] IISH, CSPEC-18, 'Document d'information: "La coopération entre les PSCE" par Helga Köhnen (d'après un article paru dans *Neue Gesellschaft*, 6/76)'.
[449] IISH, CSPEC-8, "Wide rifts in European Socialism", *The Irish Times*, 28 April 1973.
[450] HAEU, GSPE-131, 'Pour une Europe Sociale', 26-27 avril 1972, 20 p., here p. 18.

for improved cooperation with the Socialist Group of the PE, and appealed to "all Europeans" pursuing democratic socialism:

> La mise en oeuvre des valeurs fondamentales du socialisme démocratique exige une coopération débordant le cadre des Etats. Sans l'engagement de nos partis, il n'y aura pas, en Europe, d'union sociale digne de ce nom. Telle est la responsabilité historique que nous sommes appelés à assumer. (…) C'est en vue de ce combat pour une Europe sociale que les partis socialistes lancent un appel à tous les européens.[451]

The call to "all Europeans" was of course rather vague and it concealed, once more, profound divergences between the socialist and social-democratic parties about the forces that should be targeted as preferred allies for the implementation of this social Europe. In particular, the question of to what extent an alliance could be sought at European-EC level with the Communists was a matter of discord. The French PS, who had concluded a common political programme with the PCF and had ties to the Italian PCI, obviously tended to advocate cooperation with communist forces from all countries. This position was highly controversial for several other parties of the social democratic family, in particular the German SPD. Indeed, the SPD was opposed to collaboration with communist parties for reasons pertaining to internal German politics. The communist regimes of East Germany and of the Soviet bloc were seen as the enemies of German unity and a threat to the FRG.[452] Therefore, the SPD and its Northern social-democratic allies – from the Scandinavian countries, Luxembourg, and Holland – were reluctant to build an alliance with Western European communist forces for a social Europe. Instead they leaned towards alliances with more centrist forces – social liberals, social Christians or even Christian democrats.[453]

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[451] Ibid, pp. 18-19.

[452] Note however the ambiguities this question represented for the German SPD, who had undertaken a rapprochement with the PCI to serve its Oostpolitik design to reestablish dialogue with East Germany; moreover Brandt and Berlinguer had a similar conception of détente – a 'European' model of détente aimed at pacifying and emancipating Europe from the superpowers' dominion as opposed to the 'conservative' vision of détente advocated by Washington and Moscow aimed at avoiding nuclear war while at the same time crystallising their respective spheres of influence. See Raffaele D'Agata, "L'"altra" Distensione: Brandt, Berlinguer, e La Ricerca Di Un Nuovo Ordine Di Pace Negli Anni '70," *Contemporanea*, no. 2 (2002): 233–252.

[453] In fact the French PS remained at first rather isolated on this question, and its alliance with the PCF resulted in stronger influence on the national level but weakened its position within the SI, which generally disqualified communist parties. After its Bagnolet congress, the PS sent delegations to the EC socialist parties to explain the French socialists' view and to gain support for defining its EC policy. This bilateral exchange and its strong commitment to European integration as such helped the PS to slowly improve its relations with its sister parties in the EC, in particular with the SPD. On this

Within the SPEC and the SGEP, the question of the relations with the communist parties, and in particular the communist MEPs, was a matter of recurrent debate and of disagreements during those years. In November 1971, for instance, the SGEP discussed the decision to be taken regarding the invitation received from the PCI for members of the SGEP to attend the Rome conference on the theme 'Italian communists and Europe'.[454] Because of divergences on this question, the SGEP decided not to send an official delegation to the conference, but encouraged any of its members to attend the conference if they wished to. As a matter of fact, with his usual eagerness MEP Vredeling attended and intervened "*à titre purement personnel*" to call Italian communists to engage at European level together with the socialists, which he saw as the only way to fight capitalism and monopolies: "*Per questo motivo sono europeista e spero che anche voi lo siate*".[455] The idea of an alliance with the communists was far from being met with unanimity in the SGEP however. When discussing strategies to implement Mansholt's vision for a new socialist Europe, some MEPs, like Astrid Lulling, had expressed her conviction that the "extreme" left would not share Mansholt's ideas and that alliance should be sought with "progressive forces" of the centre.[456]

The question of cooperation with communist forces and of the alliance of "all progressive forces" would remain a crucial issue and continue to be pursued throughout most of the 1970s. It was a crucial means through which socialists could enforce, within European institutions (not least the EP) measures, policies and decisions that complied with their social Europe design.

The Bonn Congress was therefore followed by renewed efforts to strengthen cooperation between the member parties of the Liaison Bureau, which would later lead, in April 1974, to a reorganisation of the cooperation structure with the creation

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development see for instance Byron Criddle and David Bell, "The French Socialist Party," in *The Future of Social Democracy: Problems and Prospects for Social Democratic Parties in Western Europe (Oxford: Clarendon Press, 1986)*, ed. Thomas Alastair and William E. Paterson (Oxford: Oxford University Press, 1986), 79 and following.

[454] HAEU, GSPE-052-FR-B, 'Réunion du GS du 16 novembre 1971 - Projet d'ordre du jour' p. 99.

[455] HAEU, GSPE-053-FR, 'Déclaration de Henk Vredeling au congrès organisé par le parti communiste italien à Rome du 23 au 25 novembre 1971 sur des questions de politique européenne', pp. 73-80, here p.80.

[456] HAEU, GSPE-053, 'Projet de procès verbal, réunion exceptionnelle du groupe socialiste et du bureau des partis socialistes de la Communauté européenne', Bruxelles, 29 mai 1972 - Echange de vues avec Sicco L; Mansholt, Président de la Commission de Communautés européennes, sur les observations qu'il a présentées en vue de définir une politique économique nouvelle (lettre du 9 février 1972 de Mansholt à Malfatti)', pp. 285-305.

of the Confederation of Socialist Parties of the European Community (CSPEC). Besides, the SGEP also worked on consolidating its links with its member parties, by organising increasingly frequent meeting trips to the different member states. For instance, the SGEP organised a meeting in Dun Laoghaire, Dublin on 3-4 September 1973 with high personalities of the Irish Labour Party, including *Tánaiste* (vice-Prime Minister) and Minister for social affairs and public health Brendan Corish and Minister of Labour Michael O'Leary, but also members of the social-democratic party of Northern Ireland, as well as trade union representatives.[457] The SGEP also increasingly worked on consolidating its ties with the trade unions organised at EC level, especially the ETUC.[458]

In sum, although undeniable differences arose between European socialist parties, and although they were still far from able to agree on a common strategy for an alliance for a socialist Europe, the Bonn Congress saw the most ambitious and far-reaching attempt so far to formulate and put forward a concrete and comprehensive set of proposals for a social union. This social union project was taking a much more precise shape – it entailed clear redistributive features not only between regions but also between social classes (through taxation, anti-evasion, asset building, investment control, economic planning, and enhancement of redistributive EC funds); economic democratisation (workers' control); access to social security for all and harmonisation of social security regimes at EC level (the "social charter"); increased social rights (equal opportunities, access to vocational training, health and security at work, income maintaining, equal access to social security to all) and right to work; and a "humanising" environmental policy to improve living and working conditions in Europe. This was fundamental at a time when the first programme of measures in the social field was being drafted at EC level: the SAP.

4. The Social Action Programme

The social Europe project stirred by the Brandt government and articulated by the socialist parties of the EC made its way through the institutions of the Community

[457] HAEU, GSPE-056-FR, 'P.V. réunions du groupe socialiste du Parlement européen des 3 et 4 septembre 1973 à Dun Laoghaire, Dublin', pp. 175-187.

[458] See for instance HAEU, GSPE-057-FR-A, p. 97: during the February 1974 session of the SGEP meetings, there was a discussion with Théo Rasschaert, General Secretary of the CES. It was agreed that mutual information between the SGEP and the ETUC should be improved and Wieldraaijer, Adams and Falcone (from the GSPE secretariat) would be in charge of organising these contacts. This will be further developed in the next chapters.

and eventually impacted – to a certain extent – the proposals for a a common social policy in those years. In particular, the Social Action Programme (SAP) that was formulated after the October 1972 Paris Summit bore the mark of this project. The institutional debate on the SAP was seen by the 'European Left' as an opportunity to enforce a project of social union as defined in the Bonn theses. The German government in the Council, the left-wing deputies in the EP and the ETUC in the consultative instances were particularly active in pushing forward this new design.

Framing the SAP: Commission, social partners and European socialists

The heads of state and government of the 'Nine' member states of the EC had declared themselves in favour of the elaboration of the SAP at the October 1972 Paris Summit.[459] In January 1973 the Council adopted an agenda for the institutional procedure that would support such an elaboration – a mandate was given to the Commission to draft a SAP before 1 January 1974. The Commission released a first preparatory document on 20 February 1973 and presented its '*Orientations du programme d'action sociale*' on 18 April – a few days before the adoption of the 'Bonn theses' by the socialist parties of the EC – and its final proposal on 24 October. In the meantime, the so-called social partners expressed their views several times on the project and the EP was consulted in April and November.[460]

The Commission's documents structured the SAP around three axes: achieving full and better employment; improving living and working conditions; and increasing social partners' participation in decisions.[461] In April, the '*Orientations du*

[459] As explained in chapter three of this work, the final communiqué of the summit was the first solemn political engagement from the heads of state in favour of "vigorous action in the social field". It invoked equalising living conditions in the Community; improving the quality of life; increased participation of social partners in economic and social decisions of the Community; vigorous social action as important as the creation of the EMU; and invited the EC institutions to establish an action program providing for concrete measures and corresponding means notably within the ESF, after consultation of social partners. Following the summit, the Social Affairs Council of 9 November 1972, under the Presidency of the Dutch Minister Jaap Boersma, asked the Commission to draft a proposal for a social action programme (SAP) to be examined at the beginning of 1973, and gave the Commission the task of organising, in Spring 1973, a new tripartite Conference with the social partners aimed at examining this first draft and drawing its conclusions before the summer. 'Déclaration du Sommet de Paris (19-21 Octobre 1972)' on http://www.cvce.eu/viewer/-/content/b1dd3d57-5f31-4796-85c3-cfd2210d6901/en, last visited 30 December 2016.

[460] The EP took position on the Commission's final proposal on 10 December 1973, on the eve of the Council meeting where the ministers were initially meant to take a decision.

[461] HAEC, 22/1995_1, 'Orientations du programme d'action sociale présentées par la Commission au Conseil ", le 18 avril 1973 (COM (73) 520 final)'; HAEC, 129/1983_41, 'Programme d'Action Sociale (présenté par la Commission au Conseil), 24 Octobre 1973 (COM(73) 1600 final)'. On 26 February

programme d'action' presented 32 action proposals for a European social policy within those three axes, which were to be implemented between 1974 and 1976.

The most innovative and far-reaching proposals of the Commission were in line with the proposals formulated by the German government at the Paris Summit, by the ETUC and by the socialist parties.[462] They included, for instance, the creation of a permanent body in charge of coordinating national employment services; the creation of a European vocational training centre; the creation of a Community tool collecting information on wealth and income distribution in order to ensure a fairer repartition of wealth; income maintenance for workers in re-adaptation and seeking a new job; the realisation of studies aimed at the abolition of chain-work and humanisation of work; the creation of a tripartite committee on security at work; adoption of an action program for security at work; strengthening the role and scope of the Standing Committee on employment (SCE); measures to enforce participation of social partners in undertakings; regular organisation of tripartite consultation conferences at Community level; the creation of an Institute of training and information on Community issues for trade unions; adoption of an action program in favour of migrant workers; long-term action program for the reintegration of handicapped persons; and the adoption of an action programme to combat poverty.[463] The proposal also insisted on measures to implement equality of pay between men and women, on which the socialists' 'theses' were remarkably silent.[464]

The final October proposal contained a slightly increased number of actions (41) whose contents were more detailed, and ordered the proposals in terms of priority of execution. Among the most urgent actions were listed: a directive proposal on the implementation of equality of pay between men and women; the creation of a

1973, the Council of ministers on Social Affairs welcomed this document with great satisfaction; the French minister Edgar Faure even declared: "Dans la construction de l'union économique et monétaire, le point d'ancrage devrait être le social: on devrait en effet plutôt parler d'une Union sociale, Economique et Monétaire." Gobin, "Consultation et Concertation Sociales à l'échelle de La Communauté Economique Européenne," 450.

[462] For a description of the ETUC's proposal in preparation for the SAP, see Ibid., 451–52.

[463] HAEC, 22/1995_1, 'Orientations du programme d'action sociale présentées par la Commission au Conseil ", le 18 avril 1973 (COM (73) 520 final)'.

[464] Although the question of equal opportunities between women and men was probably implied in the notion of equal opportunities for all and suppression of discriminations. The Commission, on the other hand, was very proactive on this question. See Alison Woodward, "Building Velvet Triangles: Gender and Informal Governance," *Informal Governance in the European Union*, 2004, 76–93; Emmanuel Rosas-Mugnier, "La Hierarchisation de l'oppression": Les Enjeux de Lutte de Classement Entre Les Causes Au Sein Du Champ Transnational de l'anti-Discrimination et Pour l'égalité à Bruxelles" (Université Paris 1 Panthéon-Sorbonne, forthcoming).

European foundation on the improving of environment, working and living conditions; the directive proposal on mass dismissal; the immediate adoption of the objective of generalising the 40-hour week before 1975 and four-week paid holidays before 1976; and a directive proposal to increase workers' protection in case of mergings. The 'complementary actions' comprised a directive to reinforce participation of workers in enterprises and possible extension of 'paritary' (employers/workers) committees.[465]

Although some of the actions proposed by the Commission fell short of the unions' and the socialists' expectations – for instance regarding sectorial paritary committees and collective conventions – and although the prioritisation of actions could be thought to undermine the concretisation of some actions in the long run, the Commission's proposal was ground-breaking in several ways. As noted by Gobin, it was the first time that the Commission ventured into presenting *directive* proposals to the Council – not just recommendations – regarding a series of social matters that up to then were the exclusive domain of the member states. The directives on workers' protection in case of mass dismissal and in case of mergers were among the most far-reaching proposals of this SAP, and signalled a real intention to transfer important competences to the Community level. What is more, the Commission was asking to base this extension of Community action on article 235 of the Treaty of Rome, which would enable intervention beyond what was explicitly stipulated by the Treaty.[466]

Furthermore, the Commission considered that this SAP was only a first step towards the realisation of a social Europe and that it should be followed after completion, in 1976, by a second programme. As the April 1973 preliminary SAP stated:

> Le programme d'action sociale est considéré par la Commission comme la base d'une politique sociale communautaire qui pourrait s'insérer dans une future charte sociale de la Communauté. Il s'agit en fait de la réalisation de la première phase de l'union sociale européenne.[467]

[465] HAEC, 129/1983_41, 'Programme d'Action Sociale (présenté par la Commission au Conseil), 24 Octobre 1973 (COM(73) 1600 final)'. The Commission divided the actions into immediate actions (7 proposals to be submitted to the Council of ministers before the end of 1973), priority actions (15 proposals on which the Council had to decide between 1974 and 1976), complementary actions (16 proposals submitted to the Council without commitment of time) and actions already submitted (5 proposals including the three directive proposals regarding company law through which the Commission hoped to solve the question of workers' participation in enterprises.

[466] Gobin, "Consultation et Concertation Sociales à l'échelle de La Communauté Economique Européenne," 456–57.

[467] HAEC, 22/1995_1, 'Orientations du programme d'action sociale présentées par la Commission au Conseil ", le 18 avril 1973 (COM (73) 520 final)'.

These proposals from the Commission obviously raised considerable attention among components of the 'European Left', not least the trade unions, whose prime representative was now, more than ever before, the newly enlarged ETUC. As a result of persistent pressure from the organisation and in accordance with the commitment taken at the Paris Summit, the Commission organised frequent consultations with the social partners regarding the preparation of the SAP. The ETUC was generally pleased with and supportive of the Commission's initial proposals, which took up for the first time some of its long-advocated claims, for instance regarding sectorial bipartite committees and the adoption of collective conventions, or the reduction of working time. In May, it adopted a social memorandum in which it put forward ten priority objectives, expressed its broad support for the Commission's guidelines, but warned that this social programme could only be effective, in its opinion, if combined with "planned and politically managed economic development", which was not explicitly mentioned by the Commission's document.[468]

The attempt to establish social dialogue at EC level to contribute to involving 'social partners' in the preparation of the SAP met with significant obstacles however. First, the initial consultation meetings quickly saw determined opposition from the employers, especially regarding the implementation of supranational collective bargaining and regarding an interventionist common employment policy. Second, and more crucially, the tripartite Conference that was supposed to take place in Luxembourg in the spring of 1973 – first in April, then May, then June 28 and 29 –

[468] ETUC, 'Memorandum. Programme d'Action sociale de la Communaute europeenne', Bruxelles, 15 May 1973. The 10 objectives drawn by the ETUC were: "1° définir le plein et le meilleur emploi comme un objectif politiquement contraignant; 2° développer une politique de l'emploi en liaison avec une politique de développement regional; 3° assurer une garantie de revenu en cas de perte d'emploi; 4° organiser une politique de contrôle des prix en vue de leur stabilisation; 5° améliorer la sécurité sur les lieux de travail et créer une Fondation européenne du Travail gérée de façon paritaire (travailleurs/employeurs) et chargée d'émettre des recommandations au Conseil sur la sécurité au travail; 6° réaliser l'égalite des droits sociaux entre les travailleurs masculins et feminins (à travers aussi une politique publique de garde des enfants); 7° organiser une politique commune de formation professionnelle en rapport avec les politiques de développement régional, créer un Institut européen pour la formation professionnelle; 8° réaliser l'égalité des droits économiques et sociaux pour les travailleurs migrants des Etats membres; clarifier le statut légal des travailleurs migrants des pays tiers et définir au grand jour leurs conditions d'accès aux pays communautaires; 9° harmoniser les droits en matière de negociations collectives en Europe afin d'aboutir à une politique contractuelle de type transnationale; 10° approfondir les droits démocratiques de participation à la prise de décision à tous les niveaux et organiser concrètement le droit à l'information, à la consultation et à la participation des travailleurs dans les entreprises à dimension transnationale." Quoted in Gobin, "Consultation et Concertation Sociales à l'échelle de La Communauté Economique Européenne," 452–53. UNICE also released a document. HAEC, 22/1995_2, 'Deuxième mémorandum de l'UNICE concernant la politique sociale dans la CEE', 11 April 1973' (its first memorandum had been released in December 1966).

and should have played a key role in the shaping of the SAP, never took place. The organisation of the Conference encountered various difficulties linked to disagreements on the distribution of seats between the social partners' organisations (similar to what had occurred with the first tripartite conference and the creation of the SCE in 1970-71): the trade unions in particular were still unable to reach a compromise with the Council. As a result, the ETUC decided to boycott the Conference, which was therefore cancelled.[469]

This missed opportunity to establish social dialogue at EC level was a hard blow to the unions, especially for the newly enlarged ETUC who was struggling to establish its influence over Community decision-making and to convince its new largest member, the British TUC, to stop boycotting the EC and the project of a social Europe. It constituted an important breach in the drafting of the SAP, which was deplored in particular by the members of the EP.[470] After the cancellation of the social

[469] Between November 1972 and March 1973, the Commission organised three consultation meetings with the social partners on the SAP, in which the new Commissioner for Social Affairs, Patrick Hillery, asserted his intention to closely associate the partners with the creation of a European social policy programme. During these encounters, the social Conference was presented as the place where the Commission's proposal to the Council would be prepared – the social partners' views would thus be taken into consideration during the drafting of the SAP. This positive dynamic was undermined by a new conflict between the ETUC and the Council regarding the composition of the conference, more precisely regarding the criteria for representation of the different trade union organisations at European level. Indeed, the ETUC wanted to avoid the precedent of the April 1970 conference, where the Council had forced for the inclusion of sectional organisations or national organisations non-affiliated to one of the three Community trade union structures (ETUC, EO-WCL, and CGT/CGIL). The ETUC's position was legitimated by the fact that it had more than doubled its numerical weight since its enlargement and therefore wished to negotiate a new representation within the European institutions. The ETUC therefore demanded that only the three Community-level trade union structures would be represented, and that ETUC would get 2/3 of the seats. Despite the support of Ernest Glinne, the Belgian socialist minister who was president-in office of the Council for Social Affairs, and despite long deliberation on the topic, the Council decided during its meeting on 21 May 1973, under strong pressure from the French government, to allocate one seat to the CFTC, one to the CIC (that would in fact go to the French CGC) and since this was the case one seat for the German DAG and one for the Danish employees' trade union, the FTC. ETUC would have 24 seats, EO-WLC 5, and CGT/CGIL 3. Upset by the inclusion of non-affiliated unions, the ETUC thus refused to participate in the social Conference, which was therefore cancelled. This conflict also impacted the SCE, in which the Council had imposed a similar repartition of seats. This problem, together with the TUC boycott, led to a standstill of the SCE's functioning between 27 Octobre 1972 and 16 February 1975 – for more than 27 months. This added to the stalemate of social dialogue at EC level during those years. See Ibid., 439–45.

[470] For instance AHPE, PE0 AP RP/ASOC.1973 A0-0256/730010 'Report on the Social Action Programme submitted by the Commission of the EC to the Council (Doc. 216/73)', Rapporteur Girardin, 6 December 1973. The Social Affairs committee of the EP regretted this general failure to go from mere consultation to the implementation of dialogue and what it saw as real participation of social partners in the decision-making at EC level. This failure was interpreted as one of the reasons for the eventual scantiness of the SAP. This missed opportunity was blamed on the Council by most MEPs; although some members of the centre-right blamed trade unions' leaders, whose "cynicism" was even considered as "the root of the delay in unifying social policy in Europe" (French liberal MEP Durieux). The Council, for its part, assured that it did not spare any effort to solve the procedure problem that

Conference in June, the ETUC continued nonetheless to work its contacts with the Commission in order to keep communicating its views on the proposal.

In a new document presented in October, which further detailed the priorities already put forward in May, it insisted further on the need to include in the SAP a Community policy on price and speculation control to fight against inflation. Its new claims included control over multinationals' activities through socio-economic information transparency, the need to extend industrial democracy to private financial institutions (banks and credit agencies), suppression of national restrictions to strike rights, protection of workers against all kinds of dismissals (in particular in case of international mergings), harmonisation of social security systems towards the top, and so on. As pointed out by Gobin, this text adopted a tone of syndicalist militancy that was distinctly stronger than that which had previously characterised the structure's rhetoric. In particular, two principles were emphasised by the unions: the demand that the Council acknowledges full and better employment as a priority political goal, and the realisation *by the EC* of an equitable redistribution of all incomes and wealth to tone down disparities.[471]

Compared to its previous documents, the Commission's October final proposal for a SAP was disappointing regarding the involvement of social partners in the economic and social decisions of the Community and compared to the far-reaching demands put forward by the unions, for instance regarding the expansion of paritary sectorial committees.[472] However, the preparation of the SAP constituted an important moment of consolidation and radicalisation of the union's view of a European integration geared to the interests of the workers, and of the Community's

blocked the Tripartite. The Belgian Minister of Employment Ernest Glinne, who had presided the Council when the Tripartite should have been held, even asserted before the EP that the real obstruction was in fact imposed by the British Trade Union Congress (TUC). See the intervention of MEP Durieux (Group of Liberal and Allies) and minister Glinne in AHPE, PE0 AP DE/1973 DE19731210-019900EP, 'Séance du 10 décembre 1973 – Programme d'action sociale'.

[471] HAEC, 22/1995_2, Confédération Européenne des Syndicats, Déclaration sur la question d'un Programme d'action sociale de la CE et affaires connexes, 10 octobre 1973.

[472] The October proposal listed only two actions to increase workers' participation in EC policy-making: to use more extensively the Standing Committee on Employment as the prime structure for the discussion of all questions with a fundamental impact on employment; and to assist in the setting up of a European trade union institute in order to help the European trade union organizations establish training services on European affairs. These two priorities were regarded as a much-reduced version of the social partners' participation imagined in the previous years, both by the unions and by the members of the EP. As expressed by the report adopted by the Asoc, these measures did not allow for a true association of the partners to the Community's decision-making process. AHPE, PE0 AP RP/ASOC.1973 A0-0256/730010, 'Report on the Social Action Programme submitted by the Commission of the EC to the Council (Doc. 216/73)', Rapporteur Girardin, 6 December 1973.

desirable role as an indispensable supranational actor and transnational forum for the creation of a 'social union'. This view was backed by the socialist deputies of the EP, but it only partly made it through the Council.

Socialists and the SAP in the European Parliament

The Commission's proposals initially received very positive feedback from the members of the EP as well, especially from MEPs of socialist and social-democratic parties. As I have shown, a strong consensus had already appeared in the Assembly on the need to empower the EC in the social field since the early 1970s. The 'social Europe' project then gradually made its way through the institutions of the EC, not least thanks to the contribution of the MEPs. During the preparation of the SAP, socialist deputies managed to impose their view of 'social Europe' to a fairly large extent, both at the level of the parliamentary committee and in plenary debates.

On 13 November 1973, during the final phase of discussions before the adoption of the SAP, Brandt visited the EP in Strasbourg to present and promote his latest ambitions for European integration. It was a particularly noteworthy visit, as it was the first time that a head of State attended a session of the EP and a meeting of the Socialist Group.[473] During his speech in front of the plenary, Brandt presented his idea of Europe's role and place in the world at the forefront of social progress and insisted on the need for a social policy at European level, for a common energy policy, and for an institutional reform of the EC that would enhance the powers of the EP and launching of the 'European Council' summitry. Once again, Brandt was putting forward his idea of the future 'European Union' that comprised three interwoven and indispensable components: economic and monetary union, social union, and political union.[474]

The members of the Socialist Group of the EP relayed the 'social union' project within the Assembly, and were particularly mobilised on the preparation of the SAP. They scrupulously assessed the Commission's April proposal in comparison with the Bonn theses and with the ETUC position and put forward many amendments

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[473] Details on the preparation of the visit in HAEU, GSPE-056-FR, 'P.V. réunions du GS du PE des 12, 13, 14 et 15 novembre 1973 à Strasbourg', pp. 467-482.
[474] Speech by Willy Brandt at the EP, in *Journal officiel des Communautés européennes,* Débats du Parlement européen, 13 novembre 1973; reproduced in Wilkens, *Willy Brandt et l'unite de l'Europe*, 475–76.

with a view to shaping the Commission's final proposal.[475] The SGEP broadly welcomed the guidelines proposed by the Commission in April, but considered that it did not go far enough in placing social objectives at the forefront of the Community's economic and monetary integration; it advocated a more interventionist economic policy at EC level, for instance by ensuring greater coordination between the different common funds and the EIB and by directing public and private investments and capital flows according to social and regional necessities.

The Commission's final proposal, released in October, met with patent disappointment within the Parliament in general, and among the members of the Left in particular.[476] Even though the proposal contained some much anticipated proposals – such as the introduction of the principle of the 40-hour week and 4-week holidays or the creation of a European centre for vocational training centre – the general conviction was that the Commission was falling short of the expectations raised since the Paris Summit. As expressed even by the liberal-conservative Fine Gael Irish MEP Charles McDonald:

> We do not find in this document the same energy and commitment which was devoted to the question of economic and monetary policy. We do not find in this document mechanisms by which economic expansion can be translated into improved living standards. We do not find in this document an explanation of how social policy should be the yardstick and should influence the vital policy areas. Indeed, even within this document itself, we find something of a contradiction between the main objectives of the policy – the attainment of full employment, the improving of living and working conditions, and the extension of participation – and the concrete proposals which are put forward under each of these heads.[477]

[475] HAEU, GSPE-056-FR, 'Note à l'attention des membres du Groupe socialiste', 10 October 1973 pp. 275-281. The note was drafted by the Dutch PvdA MEP Harry van den Bergh and contains a comparison between the action programme proposed by the European Commission ("Orientations du programme d'action sociale", 18 April 1973), the theses of the Bonn Congress ("Pour une Europe sociale", 30 April 1973) and the ETUC's position on the topic ("Note. Lignes générales du programme d'action sociale : prises de position de la Confédération européenne des syndicats, 4 June 1973).

[476] The words of the French Communist MEP Marras were eloquent in this respect: "The path of social policy – make no mistake about it – has been like the path of a crab, moving sideways and backwards. We started off with grand proposals and we finished by setting out a limited series of actions without any general framework". Intervention by French MEP Marras (Communist and Allies Group), AHPE, PE0 AP DE/1973 DE19731210-019900, 'Séance du 10 décember 1973 – Programme d'action sociale).

[477] MacDonald's intervention in AHPE, PE0 AP DE/1973 DE19731210-019900, 'Séance du 10 décember 1973 – Programme d'action sociale). The other interventions in that EP debate all express some extent of disappointment regarding the Commission's final proposal.

The social partners expressed the same disappointment during a hearing organised by the Social Affairs committee of the EP on 30 October 1973.[478]

Broadly, the MEPs considered that the Commission's final proposal was less "progressive" than the previous guidelines, that it adopted a fragmented approach instead of the "global" approach to social policy that had been advocated before, and that it was not audacious enough on the financial and juridical level.[479] For instance, some measures envisaged in the previous guidelines for a SAP were absent from the final proposal, in particular regarding an increased budget for the ESF or the creation of new funds for the implementation of the SAP. In other words, the financial commitment anticipated by the Commission in previous months and strongly supported by the EP was lost in the final proposal on the SAP.[480] Even regarding equality between men and women, on which the Commission had proved very ambitious in its previous documents, the final proposal disappointed.[481] The greatest disappointment however, was due to the disappearance in the Commission's SAP of references to the achievement of greater social justice. None of the 'priority actions' advocated by the executive were aimed at allowing a more equitable distribution of

[478] AHPE, PE0 AP PV/ASOC.1973 ASOC-197310300010, 'Committee on Social Affairs and Employment. Minutes of the meeting of Tuesday, 30 October and Wednesday, 31 October 1973'. Were present at the hearing: Comité de Liaison des Employeurs, Comité des Organisations Commerciales de la CEE (COCCEE), Organisation Européenne de la Confédération Mondiale du Travail (OECMT), Comité de Liaison CGT/CGIL, Comité des organisations professionnelles agricoles (COPA), Union de l'Artisanat de la CEE (UACEE), Confédération Européenne des Syndicats (CES).

[479] AHPE, PE0 AP RP/ASOC.1973 A0-0256/730010, 'Report on the Social Action Programme submitted by the Commission of the EC to the Council (Doc. 216/73)', Rapporteur Girardin, 6 December 1973.

[480] Concretely, the 240 million units of account of the ESF were thus to continue to constitute the whole of European social policy financial resource, which was strikingly meager if compared to the 3260 million allocated to the agricultural policy. Thus, even though the Commission identified as a priority action the opening of the Fund to migrant workers and disabled persons, these extensions would not be accompanied by sufficient financial endowment. Moreover, no mention was made of the financing of low-cost housing for migrant workers that the Social Affairs Committee insisted should be included in the SAP. The resolution adopted by the EP therefore insisted that it would be essential "for an adequate and increasing percentage of the Community's own resources to be set aside in the coming years for action in the social sector". AHPE, PE0 AP RP/ASOC.1973 A0-0256/730001, 'Resolution embodying the opinion of the EP on the Social Action Programme submitted by the Commission of the European Communities to the Council', 9 January 1974 (adopted 10 December 1973).

[481] The document advocated "to undertake action for the purpose of gradually achieving equality between men and women on the Community labour market and to reconcile women's family responsibilities with their job aspirations". The EP's Social Affairs committee considered this approach reductive, as it consisted in the mere adoption of a directive on equal pay for men and women. Practical measures advocated previously by the MEPs – such as pilot schemes for female vocational training, specific methods to help the reinsertion of women over 35 into the labour market, harmonisation of national maternity benefits, the recognition of part-time work or the creation of adequate social services – were absent from the Commission's SAP.

income and wealth. Incomes policy and asset formation, which had been so valued by MEPs during the previous years, were no longer mentioned.

Against this background, the EP tried to adopt a forceful resolution on the SAP proposal to influence the Council in its decision. During the discussions on the SAP, the Socialist Group was one of the largest groups of the EP with 51 deputies, almost placed equal with the Christian Democrats. The European Left was suffering from the boycott of the British Labour that lasted until July 1975, but could count on some centre-left deputies – social Christian, social liberal or social Gaullist – to support its proposals.[482] The SGEP therefore mobilised its resources to shape the resolution; the Social Affairs committee of the EP accepted most of the amendments proposed by the socialist MEPs to the resolution on the SAP.[483] The main modifications to the resolution demanded by the SGEP included adding a paragraph on equitable repartition of incomes and wealth, which demanded that the Commission not only should undertake statistical work on the question but should also publish before 1 January 1975 a document for a European incomes policy, should undertake a study on the effects of fiscal and welfare systems on wealth repartition in each member state, should intensify its policy in favour of the elderly, and should add to the actions on which the Council has to take a decision before 1976, measures regarding minimum wages, minimum pensions, and asset-building policies.

Another important modification was adding the implementation of workers' participation rights in undertakings as a key objective of a common social policy. Moreover, the SGEP added to the resolution that the EC needed to develop tools to combat the causes of immigration at their roots (through regional planning and aid to developing countries). Furthermore, an important amendment by the Group – despite opposition by the German Christian Democrats in the committee – was that the common employment policy should rely on member states *directing* public and private investments in coordination with each other and with the ESF and the future

[482] The composition of the European Parliament in December 1973 was as follows: Christian Democratic Group (CD) 52 ; Socialist Group (S) 51 ; Liberal and Allies Group (L) 24 ; European Conservative Group (C, British Conservative Party and Danish Conservative People's Party) 20 ; Group of Progressive European Democrats (DEP, French Gaullists and Irish Fianna Fail) 17 ; Communist and Allies Group (COM) 13 ; Non-attached (NI) 7. In July 1975, 18 deputies from British Labour joined the EP and the Socialist Group, which thus became the largest group in the EP. This will be developped in chapter 5.

[483] HAEU, GSPE-056-FR, 'Note aux membres du Groupe socialiste. Quelques remarques de M. Egbert R. Wieldraaijer concernant la résolution de la commission des affaires sociales et du travail sur le programme d'action sociale', 29 November 1973. pp. 463-466.

regional fund. Finally, they emphasised that an increasing percentage of the Community's own resources should be devoted to social actions.[484] As a result, the Assembly pleaded for increased competences of the EC in the social field and the "endowing the Community with a truly social and human dimension".[485]

In sum – despite the ongoing boycott of the British Labour Party towards the EP – the members of the SGEP managed, to a rather impressive extent, to impose their imprint on the resolution of the EP regarding the final proposal on the SAP, which as a result pronounced itself in favour of a significant extension of the EC's social policy according to a conception of a redistributive welfare Europe with increased supranational competences.[486] A crucial element of the project that emerged during the early 1970s – and created consensus in the EP – was the idea that the EC could be turned into a powerful socio-economic actor that would guarantee greater social justice (based among other things on an income policy and on the idea of an asset-formation policy). As in the case of the trade unions of the ETUC, there was a distinct *crescendo* during the early 1970s, and in particular in 1973, rising from the demands for social action from left-wing MEPs; the SGEP and the ETUC both took the Commission's proposals as starting points to formulate and put forward a real political programme for a social Europe based on greater social justice.

This did not mean however that the socialist Group managed to build a solid alliance of left-wing or "progressive" forces as proclaimed in the Bonn theses to impose a social Europe. Far from it: the debates on the SAP revealed once more the divergences between the socialist and social democrats from the various member states. In particular, but not only, the question of '*cogestion*' continued to forcefully divide the Italian and French socialists (and communists) on the one hand, and the trade union movement and socialist parties in Germany and the Netherlands on the other hand. Therefore, during the vote in the Social Affairs committee, the socialists voted almost unanimously in favour of the amended resolution but the communists abstained. During the plenary vote on the resolution, part of the SGEP unexpectedly voted in favour of an amendment presented by the Italian PCI communist MEP Luigi

[484] AHPE, PE0 AP RP/ASOC.1973 A0-0256/730010, 'Report on the Social Action Programme submitted by the Commission of the EC to the Council (Doc. 216/73)', Rapporteur Girardin, 6 December 1973.
[485] AHPE, PE0 AP RP/ASOC.1973 A0-0256/730001, 'Resolution embodying the opinion of the EP on the Social Action Programme submitted by the Commission of the European Communities to the Council', 9 January 1974 (adopted 10 December 1973).
[486] Idem.

Marras on the adoption of the principle of 'mobile scale' of incomes, against the will of German social democrats.[487]

In any case, the SAP as proposed by the Commission was deemed insufficient by the socialist and social-democratic deputies of the EP, who considered that it could only be considered "a first step on the way to social Europe and therefore as a minimal plan".[488] Unfortunately, the decision taken by the Council in January 1974 regarding the SAP proved much more restrictive than the Commission's proposal and fell drastically short of the parties' social Europe design.

The adoption of the SAP in the midst of exacerbated crisis

In a Resolution adopted on 21 January 1974, the Council of Ministers of Social Affairs committed to adopting the measures constituting the Social Action Programme organised around the three axes proposed by the Commission: full and better employment, improved living and working conditions, and increased participation of social partners to economic and social decisions.[489] The adopted SAP included about 30 measures that ignored the prioritisation proposed by the Commission and simplified the SAP into a list of measures to be implemented before 1976, with nine actions listed as having priority. The nine priorities included: 1° coordination of employment policies between the nine member states and coordination between national employment services; 2° action programme in favour of migrant workers and their families; 3° implementation of a common vocational policy and creation of a European centre for vocational training; 4° ensuring equality between men and women at work (equal pay, access to employment, training and promotions); 5° harmonisation of social protection policies between the member states; 6° action programme for health and security at work; 7° pilot schemes for combatting poverty; 8° promotion of workers' participation in enterprises; 9°

[487] HAEU, GSPE-057-FR-A, 'Procès-verbal de la réunion du GSPE - mardi 11 décembre 1973', pp. 135-136. German trade unions were against the principle of "mobile scale" adapting salaries to the inflation of prices, which was applied in Italy, Belgium, and Luxembourg and was part of the French PS programme in the common programme of the Left.
[488] HAEU, GSPE-056-FR, 'Note à l'attention des membres du Groupe socialiste', 10 October 1973, pp. 275-281 (my translation).
[489] 'Résolution du Conseil du 21 janvier 1974 concernant un programme d'action sociale', followed by the 'Déclarations à inscrire au Procès-verbal de la session du Conseil', *Journal Officiel des CE* n°C 13, 12 février 1974.

developing participation of social partners in social and economic decisions of the Community.[490]

A result of the reluctance of some member states, the actions taken up by the Council were less ambitious than those presented by the Commission. Aside from the commitment to ensure equal opportunities for women and men at work and to implement workers' participation in enterprises, none of the priorities were really new. The Council decision was also less precise than the Commission proposal, and some actions were omitted. For instance, the objective of immediately implementing the 40-hour workweek and the four-week paid holiday was abandoned and so was the proposal to maintain incomes for workers who were undertaking vocational retraining. Moreover, the 'complementary actions' suggested by the Commission were abandoned.[491] However, the Council decision left the door open for the Commission to put proposals to the Council in a series of new fields in the following years.

Against the background of rising unemployment and in the new economic context of crisis that followed the October 1973 oil shock, the member states showed much more reluctance in adopting vigorous action in the social field than they had in previous months. The German, Danish, French, Luxemburgish and Dutch delegations expressed in the minutes of the session that the realisation of the proposed actions should fall within the available budgetary means.[492]

In other words, most of the most ambitious measures envisioned by the ETUC, the European socialists and the Commission did not make their way into the priorities of the January 1974 SAP easily; the core of the redistributive, *dirigiste* and progressive parts of the social Europe project, which had been important components of the Bonn theses and of the SAP initially presented by the Commission and

[490] Pierre Tilly and Sylvain Schirmann, "Free Movement of Workers, Social Rights and Social Affairs," in *The European Commission, 1973-86: History and Memories of an Institution*, ed. Michel Dumoulin and Marie-Thérèse Bitsch (Luxembourg: Office for Official Publications of the European Communities, 2007), 352.

[491] The 40-hour workweek and the 4-week paid holidays would be reproposed and adopted as a Council Recommendation at the beginning of 1976. The Commission also declared after the adoption of the SAP that it would present proposals even on the actions that had not been taken up by the Council. As noted by Gobin, the two abandonned actions were particularly opposed by the employers' organisations, for instance in their 'Observations du Comité de liaison d'employeurs sur le projet de programme d'action sociale de la CEE' of 23 October 1973 and UNICE's press release on 5 December entitled 'Actions prioritaires du programme d'action sociale'. Gobin, "Consultation et Concertation Sociales à l'échelle de La Communauté Economique Européenne," 458–59.

[492] Idem.

promoted forcefully by the EP under the pressure of the SGEP, did not appear in the definite SAP. The measures regarding workers' participation remained limited and vague although increased participation of workers and their representatives into the 'life' of undertakings was still advocated. Broadly speaking, the SAP did not altogether abandon most of the elements that had come to flesh out the project of a 'social union' that would be more than a productivist complement to the functioning of the common market. However, the end result was sensibly falling short of the expectations raised by the heads of state in their declaration at the October 1972 Summit. Moreover, the bulk of the future SAP remained to be defined and adopted later. In other words it remained in the hands of the Council, which would prove less and less determined to take "vigorous action" for a European social union in the following years.

All in all, the Social Action Programme adopted by the Council in January 1974 was of course the biggest advancement of the social dimension of the Community since its creation in 1957 and sanctioned the will, increasingly expressed since the late 1960s, to balance economic integration with a new project of 'social union'. However, the SAP fell short of the expectations of the actors who had envisioned a rising project for a 'social Europe' in the previous years – principally upheld by the German SPD government at first, then relayed within left-wing circles, mainly in the SPEC and the SGEP, and backed by a left-wing majority in the EP, part of the European Commission, the ETUC and other trade unions. Indeed, the adopted SAP was a much watered-down version of the common social policy project that had emerged in the institutions of the EC.

There were many reasons for this watering down. First, changes in the composition of the European Commission and some confusion in the preparation of the final proposal. Although the Irish Commissioner for Social Affairs, Patrick Hillery, was criticised for being too accommodating to trade unions' demands, in May 1973 the Belgian director general of Social Affairs Raymond Rifflet was replaced by the British Michael Shanks, who had close ties to British business spheres (like the multinational industrial gas British Oxygen Company). The Commission's final text was admittedly drafted last minute by Jean Degimbe however, a Belgian member of the Ortoli cabinet, who was a former Christian trade unionist but also had close ties

with the employers' representatives.[493] Another reason was of course the failed social dialogue on the preparation of the SAP, the cancellation of the tripartite Conference, and the opposition of the employers on several points.

Most importantly, however, the decision over the SAP took place in a changing socio-economic, political and international context, which differed from the one that prevailed when the October Paris Summit took place. Growth was slowing down, international monetary stability continued to crumble, and unemployment was slowly re-emerging in Western Europe, while inflation was rising. Moreover, the Yom Kippur war between Israel and the neighbouring Arab states in 1973 and the oil embargo proclaimed by the members of the Organisation of Arab Petroleum Exporting Countries (OAPEC) pushed the oil-dependent capitalist West further into recession and high inflation. This changing context was double-edged for the European 'social union'. On one hand it made social intervention and coordination more vital than ever before, but on the other hand it pushed the different governments to be more reluctant towards redistribution measures and towards increasing the social budget of the Community. When the SAP was discussed and adopted few weeks after the 'oil shock', no one had a clear idea of the possible extent the crisis would have, but it was clear that the new context would have an effect on how social policy needed to be developed.[494]

Furthermore, the implementation of the Werner Plan for the EMU encountered growing difficulties. Indeed, the so-called monetary 'snake' – the exchange rate system created on 24 April 1972 to narrow fluctuation margins between EEC currencies – was disrupted by the increasing monetary turbulence. By the end of 1973, Britain, Ireland and Italy had already left the snake; France was to follow in

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[493] He had been in charge of organising the 'Barre dinners' with the unions' and employers' representatives previously, as explained in chapter three. Degimbe explained in a conversation with the author that he almost entirely re-wrote the SAP presented by the DGV before presenting it to the collegium of commissioners. See HistCom.2, *Histoire interne de la Commission européenne 1973-1986,* Entretien avec Jean DEGIMBE par Pierre Tilly, 13 July 2010. See also HISTCOM.2, *Histoire interne de la Commission européenne 1973-1986,* Entretien avec Annette BOSSCHER par Pierre Tilly, 13 August 2010 about the lack of staff of the Commission during the elaboration of the SAP. However, there was a sense of euphoria about social matters in the European Commission during the years 1972-73, as documented in Pierre Tilly and Sylvain Schirmann, "Free movement of workers, social rights and social affairs", in Bussière et al., *The European Commission, 1973-86*, 151–67.

[494] As explained for instance by the Social Affairs Commissioner Hillery before the Assembly, "the effect that continuing inflation and the reduction in the supply of energy would have on jobs and the living standards of our people will have to be examined". Intervention by Hillery (Vice-president of the Commission), AHPE, PE0 AP DE/1973 DE19731210-019900, 'Séance du 10 décember 1973 – programme d'action sociale'.

January 1974. Although some efforts were made to overcome this situation, the member states failed to find an agreement on how to proceed to the second phase of the Werner Plan and its implementation was, albeit unofficially, abandoned over the next year.[495] This development would clearly impact the social union project, which was conceived from the start as the counterpart of the economic and monetary union.

Therefore, although the German government was still pushing forcefully for an ambitious SAP (and considered that the Commission's proposal did not go far enough on *cogestion*, social security coordination and European social dialogue), other governments were putting brakes on the project. Heath and Pompidou, in particular, showed scepticism towards the most ambitious proposals of the SAP, such as *cogestion* and the creation of a European unemployment Fund.[496] Although Pompidou had backed Brandt's project at the 1972 Paris Summit and even accepted a joint Franco-German declaration on social Europe in January 1973, he slowed down this progress after winning the 1973 legislative elections. Pompidou's priority was to reinforce Europe on the international scene so as to strengthen France.[497]

5. Conclusion

Even though the SAP adopted in January 1974 did not fulfil the hopes raised by the prospect of the 'social union' that had been vowed by the heads of state during the 1972 Paris Summit, the year-and-a-half of works engaged in for its preparation favoured important developments. The preparation of the SAP was a period of increased influence and coordination for the social-democratic (and socialist) forces organised at European Community level. Although the project of an alliance of the European Left was still much more an aspiration than a reality, the period saw a definite *crescendo* in the demands included in the socialists' social Europe project, which came to entail a true will to change the political economy of European integration – and of Western Europe by extension.

A comprehensive and ambitious 'social Europe' project took shape in these years, which intended to empower the Community in the social field and to increase

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[495] Mourlon-Druol, *A Europe Made of Money*, 24–26.
[496] Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 92.
[497] Georges-Henri Soutou, "L'attitude de La France Face à l'Allemagne," in *Georges Pompidou et l'Europe*, ed. Association Georges Pomidou (Bruxelles: Complexe, 1995), 267–313.

social and economic coordination between the countries of the EC. The project relied on far-reaching proposals to sustain a number of fundamental principles that included social and economic planning, economic democratisation, wealth redistribution, improved working and living conditions, the right to work, upward harmonisation of European social regimes and access to social protection for all. The project entailed changing the EC so as to make it a sort of supranational actor for greater social justice, not just with the adoption of market-friendly measures anymore but with the scope of intervening in the social and economic structure of the member states to correct the dysfunctions of the market and impose a redistribution of wealth across members and populations.

Despite the worsening social and economic context, in the following years the SAP allowed for the adoption of several directives in the field of health and security at work, for the redefinition and extension of the tasks of the ESF, and the adoption of two action programmes in favour of migrant workers and handicapped persons. Three important directives on equal opportunities between men and women also followed the adoption of the SAP. Two ground-breaking directives would be adopted in the field of European labour law regarding the protection of workers' interests in case of mass dismissal and in case of mergers and relocations Two Community agencies were also created: the European Centre for Vocational Training (CEDEFOP) in 1975, and the Foundation for improving living and working conditions in Dublin in 1976. Furthermore, the Commission started establishing a European Social Budget that each year presented a comprehensive view on the general evolution of social expenses in the members of the Community. The question of workers' participation and social dialogue was much more thorny.[498]

Ultimately, the adoption of the SAP did not mark the accomplishment of the 'social Europe' project. On the contrary, it opened a highly prolific period of projects and proposals, including many proposals that aimed to complement the functioning of the common market, but also very far-reaching proposals regarding the control of multinationals, the reduction of working time, redistributive measures, among others. Against the disappointment provoked by the SAP adopted in 1974, the Commission and EP – especially the members of the SGEP – insisted that this programme could

[498] This will be detailed in the following chapters. For detailed accounts of the measures adopted on the basis of the SAP, see Degimbe, *La Politique Sociale Européenne*, 20-22 and 93-116; Tilly and Schirmann, "Free Movement of Workers, Social Rights and Social Affairs."

only be welcomed as a first step, which would initiate a step-by-step approach to the realisation of the ‘European social union’. In the following years, in a severely changing context of economic slowdown, rising inflation, growing unemployment and shifting world balance, the ‘social Europe’ project would evolve into a much more ambitious project aimed at proposing a new ‘social pact’ to re-stabilise Europe at a time when the previous social, political and economic ‘compromise’ was manifestly collapsing.

Chapter Five
'Crisis': a European socialist alternative?

1. Introduction

'Social Europe' evolved markedly in the years that stretched between the 1973 'oil shock' and the end of the decade. In the second half of the 1970s, an acute sense of crisis swept over Western Europe. The end of the Bretton Woods monetary system, the economic recession, the increasingly constraining pressure of the 'Third World' movement for a fairer international economic order, the economic recession, 'stagflation' and rising unemployment, the evolution of East-West relations in the context of détente, the fall of the dictatorial regimes of Southern Europe, and the assertion of a new amplified role for the newly enlarged EC, were among the profound destabilising factors that shook the world in those years. For many in the West, it seemed like the stability that had characterised the postwar era – the 'golden age' of managed capitalism – had gone. Postwar capitalism seemed on the rocks. Western Europe, like the rest of the world, seemed to find itself at a crossroads, where wildly divergent possibilities suddenly appeared plausible.[499]

New potentialities surfaced out of these economic and political dislocations for the European Left. Far from nipping the idea of social Europe in the bud, the 'crisis' initially stimulated ambitious new proposals from the European Left – a European Left that was now stronger than ever. From the mid-1970s, the main forces of the Left saw the crisis as an opportunity to reshape Western Europe along the lines of democratic socialism. They enthusiastically put forward new proposals for a 'socialist alternative', including increased and coordinated intervention of the state and the EC in the economy; economic and social planning; control of investments; control of multinational companies; economic democratisation and an increased role for the public sector; wealth redistribution; work redistribution; a new international economic order in line with the demands of the 'Third World'; and so on. During

[499] Bob Jessop, "What Follows Fordism? On the Periodization of Capitalism and its Regulation", in Robert Albritton, *Phases of Capitalist Development : Booms, Crises, and Globalizations* (Palgrave Macmillan, 2001), 282–99.

these years, the European Left was characterised by a leftward tendency, with the social-liberal 'austerity' solutions favoured by West German Chancellor Helmut Schmidt remaining marginal in international socialist spheres.

The European Left therefore made greater efforts to improve its cooperation and coordination at EC level. It tried to favour the constitution of a broad European alliance for a democratic socialist alternative. This chapter examines the evolution from 'social Europe' to 'socialist Europe' in the crisis years, a shift that reflected a growing confidence in the European Left. It first explains how a dramatically changing global context impacted the European Left and its perception of welfare capitalism. It then turns to show the evolution of the 'social(ist) Europe' project during those years, the progress and limits of the cooperation of European socialists in this way. It then analyses the reasons that prevented European socialists from forming a broad alliance of the Left to enforce their socialist alternative at European level.

2. The European Left and the crisis of capitalism: a crossroads

Capitalism on the rocks

As explained in previous chapters, the virtuous economic cycle of the '*Trente Glorieuses*' had already started to lose momentum during the late 1960s. During the 1970s, the global capitalist economy entered a phase of real chaos after the collapse of the Bretton Woods fixed exchange rate regime between 1968 and 1973, and the explosion of oil prices after the 1973 Arab oil embargo. The implications of these events were material – they precipitated a deep worldwide recession – but also psychological.

The 1973 'oil shock' sparked by the Arab oil-producing countries was felt particularly strongly in Western European countries. It revealed the extent to which their economies had become dependent upon imported raw materials – and particularly on oil.[500] This energetic dependence remained unproblematic for

[500] Throughout the 20th century, oil had gradually replaced coal as the primary source of energy driving the global economic system. Western Europe therefore gave up its energy independence and became dependent on oil imported mainly from oil-producing countries of the Gulf region. From 94% of total world energy consumption in 1900, coal dropped to 62% in 1950 and 28% in 1973; while oil was rising in the same years from 3,8% to 27% and then 48%. In Western Europe in particular, the rate of oil consumption in total energy consumption rose from 20% in 1946-48 to 57% in 1971. In 1973, the European energy deficit had reached 50% of total energy consumption. See Garavini, *After Empires*, 163–66. On the oil shock and its impact on Western Europe, see also Elisabetta Bini, Giuliano

European economies as long as the West secured broad control over the global oil market – and on global trade in general. However, in the early 1970s, oil-producing countries started to claim their resources back as part of a rising emancipation struggle against the dominant countries. In October 1973, the Arab countries and the Organisation of Petroleum Exporting Countries (OPEC) decided to use their oil as a diplomatic weapon in the context of the Arab-Israeli *Yom Kippur* war.[501] By imposing a fourfold increase in oil prices, the Arab and non-Arab oil producers found themselves at the spearhead of a much broader effort to rebalance the global distribution of wealth and power.

This had immediate consequences for western economies. The post-World War II economic expansion had relied fundamentally on cheap imported oil; the increase in oil prices inevitably plunged Western Europe into recession by 1974. In addition, between 1972 and 1974, spectacular price increases also affected other raw materials imported from Third World countries, such as zinc, copper, phosphate, coffee, and wood. The overall price rise caused both a demand and a supply shock. As prices rose, consumer and investor confidence was undermined, which led to weakening demand. Higher input prices implied squeezed profits, which pushed firms to reduce their labour demand and to contain wages. As a response to accelerating rates of inflation, central banks resorted to monetary tightening, which further depressed demand.[502]

Garavini, and Federico Romero, *Oil Shock : The 1973 Crisis and Its Economic Legacy* (I.B. Tauris & Co. Ltd, 2016).

[501] The OPEC, which then comprised 12 countries, including Iran, seven Arab countries – Iraq, Kuwait, Libya, Qatar, Saudi Arabia and the United Arab Emirates – plus Venezuela, Indonesia, Nigeria and Ecuador, had been formed in 1960 to resist the pressures from the "Seven Sisters" (seven large oil companies mostly owned by U.S., British, and Dutch nationals) to reduce oil prices and payments to oil-producing countries. Between 1971 and 1973, Algeria and Libya nationalised their extracting industries, and were followed by almost all oil-producing countries. The reliance of industrialised countries on oil imports put producing countries in a favourable bargaining position. This, combined with the dollar devaluation imposed by Richard Nixon's administration after the 1971 breakdown of the Bretton Woods system, brought them to raise the price of oil. With the 1971 Tripoli and Teheran agreements, the countries forming the oil-producing countries showed that they could unilaterally impose an increase in the posted price of oil for international companies. To support Egypt and Syria's offensive against Israel and in response to the United States' involvement in the war, OPEC announced on 16 October 1973 an increased posted price of crude oil by 70%, to 5,119 U.S. dollars a barrel. This was followed by a decision to reduce oil production by 5% per month and by a declaration of embargo for specific countries such as the United States and the Netherlands. When the embargo was lifted in March 1974, the price of oil had risen fourfold, from 3 to nearly 12 U.S. dollars a barrel; it would continue to rise well into the 1980s.

[502] All oil-importing countries thus experienced deep balance-of-payment deficit and strong inflation: between 1973 and 1974, the balance-of-payment deficit of advanced countries rose from $7,279 million to 22,530 million. On the multi-dimensional impact of the 'oil shock' on Western European economies, see for instance Eichengreen, *The European Economy Since 1945*, 246–56.

The 1973 oil shock was actually one among a series of dynamics that combined to generate the crisis affecting Europe during the 1970s. Underlying this crisis was in fact a profound transformation of Western industrial capitalist economies, which shattered the foundations of the post-war socio-economic 'pact'. The collapse of the Bretton Woods system, the ensuing monetary instability and the return to a system of fluctuating change rates; the increase in the prices of oil and other raw materials; and increased competition from foreign markets, especially in Asia and Latin America, were perhaps the most blatant causes. But beyond those external factors was the exhaustion of the long cycle of Fordist industry and mass consumption, the saturation of western markets, along with the constraints imposed in Europe by a stronger workers' movement. The Western economy was thus undergoing a deep crisis, which exacerbated monetary, political, and social disorders in Western Europe – strikes and social unrest continued to be widespread throughout the 1970s.[503]

As a response to these pressures, Western economies saw a progressive reorganisation and reduction of their industrial sectors, with the introduction of new technologies, increased specialisation of production and diversification of consumer goods, growing relocation of production, and an expanding service sector, combined with an increasing feminisation of the workforce. What was taking shape was a structural shift of capitalist economies towards the era of "deindustrialisation" and what would later be called 'post-Fordism'.[504] In Western Europe, long-established manufacturers were closing, or reducing their activity, feeding growing unemployment. The worsening situation was emphasized by the collapse of key Western European industries like steel, coal, and shipbuilding. Around the mid-1970s, the big Fordist companies started to intensify diversification plans. For instance, Volkswagen invested in relocating its production in Brazil and Mexico; and

[503] Social and political conflicts were particularly intensified in countries with more fragile economies, like Italy and United Kingdom. Donald Sassoon, *One Hundred Years of Socialism: The West European Left in the Twentieth Century* (London: I.B. Tauris, 1996), 445–61; Derek Howard Aldcroft and Steven Morewood, *The European Economy since 1914*, Fifth edition. (Routledge, 2013), 246–68.

[504] The first analysis that defined and coined the phenomenon was Barry Bluestone, *The Deindustrialization of America: Plant Closings, Community Abandonment, and the Dismantling of Basic Industry* (New York: Basic Books, 1982).

between 1967 and 1975, direct foreign investments from West Germany rose more than five-fold.[505]

Although these transformations had been gradually taking place since the 1960s, and followed different paces in different parts of the industrialised world, historians have often considered 1973 as a turning point, which accelerated the shift from one era to another. Eric Hobsbawm, notably, singled out 1973 as a watershed in recent history, separating the "Golden Age", characterised in Europe by full employment, high growth rates and the construction of European welfare states, from the "Crisis Decades", marked by the reappearance of cyclical slumps in growth, inflation, unemployment, instability and crisis.[506] In the advanced industrial economies of the OECD, the growth rate of the Gross Domestic Product (GDP) fell from 5% a year in the 1960s to 3.5% (in real terms) in the period 1970-1978. Meanwhile, their industrial production growth fell from 5.9 to 3.5%.[507] In all Western European countries, unemployment started to rise at remarkable pace after 1973, and had almost doubled in 1975 compared to the period 1960-1973. So did inflation, which was rising at double-digit rates. In other words, Western European economies were entering the era of "stagflation" – a slowdown in the economic growth rate coupled with worrying price rise, and consistently high levels of unemployment.[508]

The figures of economic slowdown and rising unemployment were highly critical at a time when economic prosperity and full employment were practically taken for granted. Stagflation and rising unemployment undermined the 'Keynesian' formulas of the post-war years. This created a dilemma for economic and social policy, since actions designed to lower inflation may generally exacerbate unemployment, and vice versa. The economic recession also had deep indirect implications for the prospects of economic and social welfare in Western Europe. The post-war economic boom and the construction of strong welfare states had relied in large part on cheap imported oil. Rising unemployment would increase public

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[505] For a description of the productivity slowdown, structural changes in West European economies and growing unemployment, see Eichengreen, *The European Economy Since 1945*, 252–76; Hobsbawm, *Age of Extremes*, 1994, 403–16.

[506] In Hobsbawm's own words, "the gold glowed more brightly against the dull or dark background of the subsequent decades of crisis". Hobsbawm, *Age of Extremes*, 1994, 258.

[507] Aldcroft and Morewood, *The European Economy since 1914*, 270.

[508] The diffusion of the term is generally attributed to the American economist Paul Samuelson, although its coining is attributed to Iain Macleod, British politician who became Chancellor of the Exchequer in 1970. Paul A. Samuelson, "World Wide Stagflation," *Collected Scientific Papers of Paul A. Samuelson*, 1977, 801–7.

spending, which was already at a historical high in Western Europe. In other words, the socio-economic model underlying the 'golden age' of welfare capitalism was manifestly under strain.

The 1970s were also a decade of significance for the redefinition of global economic and geopolitical relations. A crucial element of this redefinition was a challenge to the balance of power between Western countries and the so-called 'Third World'.[509] In fact, the intervention of oil-producing countries in the *Yom Kippur* war was not directed only at the Arab-Israeli conflict; it had a place in the larger context of an enduring confrontation between the industrialised 'North' and the developing 'South'. The oil shock was thus the result of a joint autonomous initiative from Arab and OPEC countries in the context of growing political consciousness and of radicalisation of the developing world that had started decades earlier. Indeed, the initiative came within a movement that began two decades earlier with the Bandung conference of Asian and African, mostly newly independent, countries in April 1955. The so-called 'Non-Aligned Movement' consisted of a gradually consolidating alliance of countries from Latin America, Asia, Africa, and the Middle East, into what Tanzanian president Julius Nyerere has called a "trade union of the poor".[510] This growing movement culminated precisely between 1973 and 1975, when its members fought to exploit their newly acquired bargaining position over industrialised economies to obtain the realisation of a 'New International Economic Order' (NIEO).[511]

The NIEO was a transnational governance reform initiative whose fundamental objectives were a redistribution of global resources from rich to poor countries and increasing involvement of the 'South' in decisions about the international economy – thus completing the geopolitical process of decolonisation and creating a global, democratic order of truly sovereign states. At the time, the raw

[509] See Vijay Prashad, *The Darker Nations: A People's History of the Third World*, A New Press People's History (New York ; London: New Press, 2008).About the concept of 'Third World' and its impact on European self-perceptions, see the insightful contribution of Erik Tängerstad, '"The Third World" as an element in the collective construction of a post-colonial European identity', in Bo Stråth, *Europe and the Other and Europe as the Other*, Series Multiple Europes, no. 10 (Bruxelles: P.I.E.-P. Lang, 2010).

[510] Julius K. Nyerere, ''Unity for a New Order,'' speech in Arusha, Tanzania, February 12, 1979.

[511] This movement channeled diplomatic pressures through a number of organs and encounters such as the Non-Aligned Movement, the United Nations Conference on Trade and Development (UNCTAD), and the 'G-77' group in the General Assembly of the UN. For a recent historical analysis of this movement and the project of a NIEO, see in particular the special issue 6.1 of the Humanity journal on the topic:"Issue 6.1," *Humanity Journal*, March 19, 2015, http://humanityjournal.org/issue-6-1/.

materials-producing countries, following the model of oil-producing countries, were becoming more combative in their attempt to exert pressure on the industrialised world. Encouraged by the success of the oil shock and led by the Algerian president Houari Boumedienne, who emerged as the most prominent proponent of the NIEO, they brought their requests to the UN General Assembly, where Third World countries of the 'G 77' group had by then become a majority. In May 1974, the Assembly approved the 'Declaration on the Institution of a New International Economic Order'. Broadly, the NIEO project included a set of economic proposals, legal tactics and political objectives including the right of states to control the extraction and marketing of their domestic natural resources; the regulation of transnational corporations; technology transfers from north to south (no strings attached); the granting of preferential (nonreciprocal) trade preferences to countries in the south; the cancellation of certain debts that states in the south owed to the north; the indexation of prices of raw materials on prices of manufactured goods; and developing new international legal structures that would promote the agenda of the south.[512]

What made the NIEO particularly remarkable was not so much its content, as the fact that political and economic leaders throughout both the post-colonial world and the industrial core of the global economy, as Gilman noted, "took seriously the possibility – the former mainly with Wordsworthian hope, the latter often with Lovecraftian horror – that they might be witnessing the downfall of the centuries-long hegemony of what was coming to be known simply as "the north"."[513]

The NIEO movement had a particular impact in Western European countries. Contrary to the United States, which turned a deaf ear to the claims for a new economic order and distrusted the idea of a North-South dialogue, Western European leaders proved much more receptive. Social democrats like Willy Brandt, Olof Palme, Jan Tinbergen and Bruno Kreisky were much more accommodating than

[512] Nils Gilman, "The New International Economic Order: A Reintroduction," *Humanity Journal* 6, no. 1 (March 19, 2015): 1–16.

[513] Ibid., 2. Indeed, Third World countries, especially in Asia and Latin America, had been displaying steady growth rates and rising industrialisation rates, and were playing an increasing part within international trade relations. Between 1963 and 1975, in the overall global production, the share of industrialising countries had risen from 5,4 to 9% (whereas the United States' share fell from 37 to 35%). In total, exports from developing countries rose from a total value of 24 billion dollars in 1973 to 44 billions in 1977. Jeffrey A. Hart, *The New International Economic Order: Conflict and Cooperation in North-South Economic Relations, 1974-77* (London: Macmillan, 1983).

conservative leaders like Henry Kissinger.[514] There was a perceptible leftward tendency in international socialism in the mid-1970s, which was consecrated with Brandt's nomination at the head of the Socialist International in 1976. Brandt considered North-South dialogue as one of his priorities. Moreover, Western European public opinion was generally favourable towards the claims for a NIEO as they were in line with the evolution of a budding cadre of post-68 European intellectuals and militants, who had started to adopt post-colonial critique and to denounce the cultural and economical domination of the West over developing countries.[515] In 1974, the Dutch socialist economist Jan Tinbergen completed a massive study entitled *Reshaping the International Order* for the Club of Rome, which, although it was largely ignored in the West, raised World Bank President Robert McNamara's attention and concern.[516]

The emergence of the NIEO reinforced the sense of global crisis that had been building for years in Western Europe; it added to the collapse of the Bretton Wood system, the 'oil shock', the world economic recession, and the background of rising social unrest and domestic armed struggles. In a way, this global crisis represented a shipwreck of all the ideas and institutions that had guided the West since 1945. To Western European leaders and public opinion, the world seemed to be at a crossroads. A new system of international monetary management was needed to replace Bretton Woods; a rethinking of economic 'philosophy' seemed urgent now that the expansionary assumptions of Keynesianism were no longer axiomatic; the Third World movement called for a rethinking of Western prosperity and global power balance, and for redistribution of global wealth.

The rise of the NIEO Movement coincided with a period of new determination among EC leaders to assert the EC's role on the international stage,

[514] Garavini, *After Empires*, 174–83.
[515] In particular, in France, the publication of Franz Fanon's *Les damnés de la terre*, which compared the populations of former colonies to the exploited labour class, had far-reaching effects on the French left and postmodern philosophy. Frantz Fanon, *Les Damnés de La Terre*, La Découverte/Poche. Essais 134 (Paris: La Découverte/Poche, 2002). See Erik Tängerstad in Stråth, *Europe and the Other and Europe as the Other*.
[516] In 1974 the Club of Rome had entrusted him with compiling a report on the necessary reforms for the international economic system, and the Dutch Ministry financed his study for Development Cooperation. It called for the democratization of international economic institutions, the achievement of alimentary self-sufficiency for the poorest countries, and for automatic capital transfers to the South to reach the long-targeted 0.7 percent of GDP of the developed countries. The report was warmly received by several developing countries. Jan Tinbergen, *Reshaping the International Order: A Report to the Club of Rome* (New York: Dutton, 1976); see Garavini, *After Empires*, 234.

which they did in part by favouring dialogue and redefining relations with the 'South'.[517] During the first half of the 1970s, moreover, American hegemony in the world was encountering a deep and multifaceted crisis. First, the U.S. had lost its nuclear supremacy, and was showing signs of economic slowdown and monetary turmoil.[518] In addition, the ongoing Vietnam quagmire, and the role played by the U.S. in the 1973 Pinochet coup against the socialist president Salvador Allende in Chile seriously tarnished America's image abroad and added to growing anti-Americanism in Western Europe.[519] Later, the breaking of the Watergate scandal, in which president Nixon was accused of abuse of power and forced to resign in August 1974, put the final touch to a generally deteriorating picture.

Furthermore, the dynamics of the Cold War were changing, permitting a new period of détente, in which the easing of the opposition between the two superpowers opened new room for manoeuvre for third countries. In the 1970s, in Western Europe, there was now a prevailing conviction that the Cold War antagonism needed to be overcome and to be substituted with more cooperative relations. Against this backdrop, perceptions of the place and role of Western Europe in relation to the world were changing. The European Community, in particular, experienced an important phase of redefinition, integration, and self-affirmation in which it started to assume a new global role.[520] Détente allowed the EC to establish a new policy of opening and cooperation towards the East.[521] It also contributed, along with the rise of the Third World, and the January 1973 enlargement to the United Kingdom, Ireland and Denmark, to bringing the EC to assert itself as an international actor. In those years

[517] Garavini, *After Empires*, 183–90.

[518] U.S. gross national product had fallen from 40% of the world total in 1950 to 25% in 1975; its share of world monetary reserves had declined from 50% in 1950 to 16% in 1970. Geir Lundestad, *The United States and Western Europe since 1945: From "Empire" by Invitation to Transatlantic Drift* (Oxford: Oxford University Press, 2003).

[519] See chapter 9, 'The American century erodes' in Mary Nolan, *The Transatlantic Century: Europe and America, 1890-2010*, New Approaches to European History 46 (Cambridge: Cambridge University Press, 2012). On European ambivalence towards the US and 'Americanization', see also Richard H. Pells, *Not like Us: How Europeans Have Loved, Hated, and Transformed American Culture since World War II*, 1st ed (New York, NY: Basic Books, 1997); Rob Kroes, *If You've Seen One, You've Seen the Mall: Europeans and American Mass Culture* (Urbana: University of Illinois Press, 1996); Victoria De Grazia, *Irresistible Empire: America's Advance through Twentieth-Century Europe* (Cambridge, Mass: Belknap Press of Harvard University Press, 2005).

[520] Romero, *Storia Della Guerra Fredda*.

[521] On the opening of the EC towards Eastern Europe, and its role in shaping the broader dynamics of détente and the Cold War, see Romano, *From Détente in Europe to European Détente*.Romero, *Storia Della Guerra Fredda*.Romero, *Storia Della Guerra Fredda*.Romero, *Storia Della Guerra Fredda*.Romero, *Storia Della Guerra Fredda*.Romero, *Storia Della Guerra Fredda*.Romero, *Storia Della Guerra Fredda*.

the Community started to redefine its diplomatic and economic relationship with developing countries, to promote a new international economic order, to build the bases of a global policy of development cooperation and to become a promoter of human rights abroad.[522]

The EC therefore attempted to assert itself as a true international actor with a distinctive political, cultural, social and economic identity. European leaders were adopting positions that diverged from the US stance on how to face the first oil shock and the emergence of a more assertive Third World.[523] This culminated in the affirmation of a 'European identity' in 1973 in reaction to the somewhat tactless address of U.S. Secretary of State Henry Kissinger when he unilaterally proclaimed 'The Year of Europe'. In his infamous speech, Kissinger adopted a tone that created controversy, as it was not just praising European unity – as was allegedly its goal – but reasserting US leadership over the Western world. As a response to Kissinger's 'Year of Europe' speech, and after careful consideration, at the December 1973 Copenhagen Summit the heads of state and government of the 'Nine' released a 'Declaration on European Identity'.[524]

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[522] Arguably, the EC positioned itself as a 'partner' to developing countries during the mid-1970s. In 1973, after the enlargement to the UK, the EC opened the renegotiation of the former Yaoundé agreements in order to include the countries of the Commonwealth. The Lomé Convention, signed in February 1975 by the EC and 46 'associated' countries from Africa, Caraibes and Pacific (ACP), marked a reassessment of their relations, to favour the former colonies and Commonwealth countries. In particular, important concessions were made by the EC regarding industrial cooperation and guarantees of raw material import prices, and the 'reverse preference' principle was abolished. See Garavini, *After Empires*, 190–200; Lorenzo Ferrari, *Sometimes Speaking with a Single Voice : The European Community as an International Actor, 1969-1979* (P.I.E. Peter Lang, 2016); Varsori and Migani, *Europe in the International Arena during the 1970s*.

[523] Garavini, *After Empires*, 182–200.

[524] On 23 April 1973, Kissinger gave an address at the annual luncheon of the Associated Press on the topic 'The Year of Europe'. In focusing on Western Europe, the aim of the White House was dual: to revitalise the Atlantic Alliance in those times of nuclear parity; and to pursue a rebalancing of American-European economic and political relations that would be more satisfactory to the US. Indeed, American elites' support for European integration had started to wane as rising European prosperity combined with declining US trade balance, which turned into deficit in 1971, to fuel resentment against EC protectionism, and in particular against the Common Agricultural Policy. In addition, the 1973 enlargement of the EC implied tariff increases that hindered American interests. The speech came against the backdrop of deteriorating US-EC relations and clashed with European opinions' growing anti-Americanism and the new global responsibilities that Western Europe sought to take on. It also came as a provocation to European Community leaders who were already meeting great difficulties at that time in their endeavour to implement the objectives of the 1972 Paris Summit for a 'European Union'. In short, the task of launching a European Political Community of the Nine was getting bogged down with the customary divergence of views between France's state-centrism and the Dutch, West German and Italian tendency towards supra-nationalism; the monetary union was in stalemate because of the growing fluctuations between European currencies; even the suitability of the CAP was questioned as its functioning suffered from monetary fluctuations. On Kissenger's 'Year of Europe', see in particular Pascaline Winand, "America's year of Europe" in Harst, *Beyond the Customs*

Rather than exalting transatlantic unity, the declaration emphasised the distinctiveness of united Europe, and presented the EC as an independent world actor. It aimed at affirming the institutional, political, economic and cultural consolidation of 'Europe' as embodied by the EC. The Copenhagen Declaration also constituted the first attempt by EC leaders to affirm the civilizational and cultural underpinnings of a united Europe. One of the distinctive elements of this nascent notion of 'European identity' was social justice, which was defined as "the ultimate goal of economic progress".[525] The insistence on social justice as the goal of economic progress and as a component of European identity echoed the diffusion of the 'Social Europe' project that had been promoted by the German government with the support of part of the European Left in previous years.

All in all, in the early 1970s, the remarkable political stability that characterized postwar European history came to an end. A sense of crisis and malaise gripped the West, and tensions between labour and capital continued to grow in intensity. The crisis of the 1970s was not just economic. It was a political crisis that was affecting the core of the postwar settlement – the democratic order of regulated capitalism. As Mark Mazower put it, it was a crisis of the Keynesian social contract, and it was therefore as much a crisis of governmental authority as it was one of declining material standards.[526] Many leaders in the north felt they were facing a fundamental systemic revolt, famously characterized as a 'crisis of governability'.[527] Interest grew in alternatives to post-war national Keynesianism. The many challenges that this context of multifaceted global crisis raised therefore opened a window of opportunity to design new alternatives, at a time when Western European leaders of the EC seemed determined to assert a new independent Europe. The mid-1970s can

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Union; Jussi M. Hanhimäki, "Kissinger et l'Europe : Entre Intégration et Autonomie," *Relations Internationales*, no. 119 (2004), http://cat.inist.fr/?aModele=afficheN&cpsidt=16222631.

[525] 'Declaration on European Identity', *Bulletin of the European Communities*, 12 (1973), 118–22. On the declaration, see Aurelie Elisa Gfeller, *Building a European Identity: France, the United States, and the Oil Shock, 1973-74* (Berghahn Books, 2012); Aurélie Élisa Gfeller, "Imagining European Identity: French Elites and the American Challenge in the Pompidou–Nixon Era," *Contemporary European History* 19, no. 02 (2010): 133–49; Bo Stråth, "A European Identity To the Historical Limits of a Concept," *European Journal of Social Theory* 5, no. 4 (November 1, 2002): 387–401, doi:10.1177/136843102760513965.

[526] Mazower, *Dark Continent* chapter 10.

[527] Entitled 'The Crisis of Democracy', the famous 1975 report was authored by three leading political scientists from the United States, France, and Japan. It identified the crisis as one of Western society as a whole, rather than simply one associated with an economic downturn, and stressed the intrinsic contradictions within the post-war Keynesian consensus. Michel Crozier, Samuel P. Huntington, and Jōji Watanuki, *The Crisis of Democracy : Report on the Governability of Democracies to the Trilateral Commission.* (New York U P, 1975).

therefore be described as a crossroads for Western Europe and the world, coming at a time when the European Left was at its historic high.

Social democracy and Eurocommunism at their historic high

The unique period of disjunction and openness that were the 1970s coincided with a general consolidation of the Left in Western Europe. Social democracy was at a historic high and so was a new political creature: 'Eurocommunism'. Despite the economic recession, the 1970s saw a confirmation of the 'social-democratic consensus' and a strengthening of European welfare states.

The golden age of social democracy in Western Europe, which had started in 1969, culminated in the mid-1970s. Brandt, Palme and Kreisky had been joined in the pantheon of social-democratic leaders by Joop den Uyl in Holland in 1973, and by Wilson who returned to power in the UK in 1974. Although France and Italy were immune to this social-democratic trend, the left was growing there as well. In France, the Union of the Left led by Mitterrand just missed the presidency by a very small margin in 1974 (49.19%) as against the liberal conservative Valéry Giscard d'Estaing after the death of Georges Pompidou, but continued its electoral rise. In the 1977 municipal elections the parties of the *union de la gauche* won their best historical results. In Belgium, the socialists were leading a centrist coalition under Edmond Leburton until January 1974, and were part of government coalitions from June 1977 to September 1981. Even in Luxembourg, the social-democratic *Parti ouvrier socialiste Luxembourgeaois* (PosL) managed to recover from internal divisions and entered a centre-left coalition government with the Liberals (DP) in June 1974.

At the same time, the almost simultaneous fall of the authoritarian regimes in southern Europe between 1974 and 1976 created new opportunities for European socialism in Spain, Portugal and Greece. Although socialists (unlike the communists) had played only a minor role in the clandestine struggles against dictatorial regimes in the three countries, the Greek PASOK (*Panellinio Sosialistiko Kinima* or Pan-Hellenic Socialist Movement), the Spanish PSOE (*Partido Socialista Obrero Espanol*), and the Portuguese PS (*Partido Socialista*) all eventually emerged as dominant national political forces. The progression of the three socialist parties was astonishingly rapid – they appeared to be the great victors of the transition to

democracy, far ahead of their communist counterparts.[528]

Meanwhile, the mid-1970s saw a continued strengthening of communist parties in some Western European countries – in particular in Italy, but also in France, Spain and Portugal – and their alliance in a new (albeit short-lived) political project: 'Eurocommunism'.[529] In Italy, alongside permanent mobilisation in the streets, the PCI remained the main party of the Italian Left. It won remarkable electoral successes in 1974-75, and reached its peak in the 1976 elections with more than 34% of votes.[530] It continued and accelerated its process of renewal, of distancing from the USSR and of re-centring on Western Europe, and opened the way to the '*Compromesso Storico*', a political alliance with the *Democrazia Cristiana* (DC) that confirmed the Italian communists' aspiration to make its way to government through alliances with more 'moderate' forces.[531] In France, the PCF remained the main opposition party until 1978 with over 20% of votes throughout the 1970s. Despite rising support for the PS, in 1976 the PCF still won the largest number of municipalities in France. Alongside these successes, the domestic rise of Western European communist parties was a more general phenomenon in the years of the economic crisis, and added up to a general revival of Marxist thought since the 1968-1969 uprisings and the 1973 crisis – a phenomenon that also reached a wider public on the Left and center.

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[528] For an account of the fall of dictatorial regimes in Spain, Portugal and Greece and their relevance for the European Left, see Sassoon, *One Hundred Years of Socialism*, 1996 chapter 21; in particular the table p.597.

[529] For a brief overview of Eurocommunism during the 1970s, see Silvio Pons, "The Rise and Fall of Eurocommunism", in Melvin P. Leffler and Odd Arne Westad, *The Cambridge History of the Cold War* 3: 49. For a more in-depth analysis of the profound ideological and strategical mutations of the PCF and PCI from the 1960s to the 1980s, on their repositioning on the international scene and the attempt to build a united European communism, see Di Maggio, *Alla Ricerca Della Terza via Al Socialismo*, 2014.

[530] The Italian elections of May 1972 marked the end of the center-left coalition and a fall in PSI votes (9,6%), whereas the PCI was reaching 27,2% (+0,3% compared to 1968). As in the case of the French PS before Epinay, the PSI started to affirm its vocation to propose an alternative way to socialism between capitalism and collectivism in the Soviet model. Contrary to what happened in France, the relations between PSI and PC went worsening during the 1970s. After 1976, under the leadership of new Secretary General Bettino Craxi, the PS was taking distance from its Marxist heritage. Antonio Landolfi, *Storia Del PSI. Cento Anni Di Socialismo in Italia Da Filippo Turati a Bettino Craxi* (Milano: SugarCo, 1990), 338; see also Zeffiro Ciuffoletti, Maurizio Degl'Innocenti, and Giovanni Sabbatucci, *Storia Del PSI* (Laterza, 2017).

[531] The choice of the *compromesso storico* (historic compromise) by the DC was motivated by a general de-legitimation of anti-communist politics in the context of détente, by the PCI's distancing from Moscow and the pressure of the left-wing of the party, which under the thrust of the famous leader Aldo More favoured a new strategy of opening to the Left. The *compromesso storico displeased* the PSI, in particular some of its leading figures like Craxi, who saw this policy as a clear attempt to marginalise socialists and to reject a union of the left that would bring Italian socialists and communists jointly to power. Crainz, *Il Paese Mancato*, 444–52.

The Italian communist party was the main promoter of what came to be known as 'Eurocommunism', which climaxed in the mid-1970s. Under the leadership of Enrico Berlinguer, General Secretary since 1972 and one of the most popular politicians in Italian history, the PCI renewed its efforts to increase cooperation between Western European communist parties and to bring them around to the idea of a 'third way' to communism: a distinct European communism independent from Moscow. During the crisis years, the Italian leader advocated a 'new internationalism' that relied on reinforced support for European integration as a strategy to turn Western Europe into an autonomous force capable of showing its own way to socialism, and capable of favouring East-West détente, North-South dialogue, and a new international economic order. Increasingly, "Europe" became one of the core points of reference of the PCI's international outlook; by working inside the European institutional framework, the party believed it would contribute to making Western Europe socialist.[532]

At the same time, the important changes taking place in Southern European countries seemed to augur well for the future role of communist parties until then muzzled by dictatorial regimes. In Spain, the *Partido Comunista Español* (PCE) played a prominent role in the struggle against Franco's regime, and in the initiation of a process towards democracy after the death of the dictator in November 1975. Its leader, Santiago Carrillo, opted for a resolutely moderate and centrist course. It supported the installation of the monarchy in 1976, co-operated in alliances with all democratic forces of the centre and the Left, and kept its distance from Moscow. In 1977 Carillo published his *Eurocomunismo y estado,* which was to become for many the manifesto of Eurocommunism in Spain and Europe.[533] The context of the mid-1970s and the distancing with the Soviet communists enabled a *rapprochement* between West European communist parties – in particular the PCI, the PCF and the Spanish Communist Party (PCE) – that started to burnish the project of 'Eurocommunism'.[534]

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[532] Maggiorani and Ferrari, *L'Europa Da Togliatti a Berlinguer*, 212–33.

[533] Santiago Carrillo, *Eurocomunismo y Estado* (Madrid: Editorial Crítica, 1977). The PCE also supported the application of Spain to enter the EEC.

[534] Eurocommunism remained a central theme for the whole second half of the 1970s and into the 1980s. On the causes and contradictions of Eurocommunism and its demise, see Maud Bracke, *Which Socialism? Whose Détente?: West European Communismand the Czechoslovak Crisis, 1968*, Published EUI PhD Theses (New York: Budapest ; Central European University Press, 2007) in particular chapter 8; Bracke, "From the Atlantic to the Urals? Italian and French Communism and the Question of

Following the intensification of meetings between Western European communist parties in the first half of the decade, in the mid-1970s a series of Eurocommunist meetings, summits and common declarations symbolised a new convergence. In January 1974, twenty-one communist parties of Western Europe met in Brussels to discuss the question of co-operation with other forces on the domestic scene. The common PCI-PCE declaration of 11 July 1975, the PCI-PCF declaration of 15 November 1975, the conference of European communist and workers' parties of East Berlin in June 1976 and the Eurocommunist PCE-PCI-PCF three-party meeting in Madrid in March 1977 concurred to put forward the Eurocommunist design.[535] Although the Italian, French and Spanish communist parties were at the spearhead of the movement, other communist parties adopted the slogan – in Finland, Belgium, Great Britain, the Netherlands and Austria among others.

The EC was an important point of debate between the parties and a crucial – although contentious – aspect of Eurocommunism. The PCI was trying to convince the other parties to engage on the same European policy as it did, and presented the EC as the test case on which all Western European communist parties needed to constructively converge.[536] The joint declarations issued between 1975 and 1977 by the PCI, the PCE and the PCF explicitly indicated the parties' intention to work out a large progressive and democratic alliance to counter the crisis. As Bracke noted, in the declarations, Eurocommunism was presented on the one hand as "a commitment to parliamentary democracy and to a peaceful and legal transition to socialism based on parliamentary and extra-parliamentary alliances and on the gradual reform of the economy and the expansion of democratic rights. On the other hand, it maintained

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Europe, 1956-1973." Among the many publications on this topic, see also Carl Boggs, *The Impasse of European Communism* (Westview Press, 1982); William E. Griffith, "The Diplomacy of Eurocommunism," *Eurocommunism and Detente*, 1978, 385–436. Although it was an appealing political message and scared both USSR and USA, it remained mainly an abstraction rather than a concrete project according to Maggiorani and Ferrari. Maggiorani and Ferrari, *L'Europa Da Togliatti a Berlinguer*, 53–65.

[535] Documents of the conferences and the party declarations are published in Manfred Steinkühler et al., *Eurokommunismus Im Widerspruch*, 1980, 37–48. This is not to say that the communist parties experienced a perfect harmony in those years; in fact many points of disagreement subsisted including PCI-PCF tensions regarding the Portuguese Communist Party (PCP)'s role in the events taking place in Portugal.

[536] Giorgio Amendola was particularly active in convincing the other communist parties of the necessity to work within the EP for a democratic transformation of the EC, through the development of alliances with the communist, socialist and christian-democratic forces, see Maggiorani and Ferrari, *L'Europa Da Togliatti a Berlinguer*, 60–62. See also Amendola's speeches at the Brussels conference and during other party and interparty meetings in Communist and Allies Group of the European Parliament, ed., *I Comunisti Italiani e l'Europa: Dichiarazioni, Documenti, Interventi* (Lussemburgo: Segretariato del Gruppo comunista e apparentati al PE, 1978), 49–52.

Marxist-Leninist elements, such as the class struggle and the concept of the communist party".[537] In 1977 Enrico Berlinguer, Georges Marchais and Santiago Carillo met in Madrid and advocated in their common declaration a "new way", "a coming together of all democratic forces for a policy of democratic and social renewal and for a positive way out of the deep crisis gripping the capitalist countries of Europe". These new orientations were sought "both on the level of the individual countries and on the West European level".[538]

Furthermore, a rapprochement between the social-democratic and the communist Left was increasingly perceptible across Western Europe, and even more so in the context of the global crisis. This was primarily the case in France, where we have seen that the 1972 common programme of the Left had sealed the alliance between the PS and the PCF for a "*rupture avec la société capitaliste*", jointly engaged in searching a 'third way' to socialism.[539] In Sweden, the government of the socialist leader Olof Palme was also searching for collaboration with the communists. Moreover, Berlinguer's geopolitical outlook – promoting an autonomous Western Europe, East-West détente and North-South dialogue, and supporting the Non-Aligned movement – was in line with the views that some of the most prominent social-democratic leaders like Brandt and Palme publicly supported. These affinities and others motivated a rapprochement between the PCI and European social-democratic forces during the 1970s.[540] Although tensions still prevailed in most

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[537] Bracke, *Which Socialism?*, 348. According to Perry Anderson, the main theoretical foundation of Eurocommunism was Antonio Gramsci's writings, which questioned the sectarianism of the Left and encouraged communist parties to develop social alliances to win hegemonic support for socio-economic reforms. Perry Anderson, "The Antinomies of Antonio Gramsci," *New Left Review*, 1976, 6–7.

[538] See the "Joint declaration by the Italian Communist Party and the Spanish Communist Party" (Leghorn, July 12, 1975) in *The Italian Communists,* n°4 (June-August 1975), pp. 39-42; the "Joint declaration by the Italian Communist Party and the French Communist Party" (Rome, November 15, 1975) in *The Italian Communists*, n°5-6 (September-December 1975), pp. 74-79; the "Joint declaration by the PCE, PCF and PCI" (Madrid, March 3, 1977) in *The Italian Communists*, n°1 (January-March 1977), pp. 123-124. The declarations are reproduced in the appendix of Peter Lange and Maurizio Vannicelli, eds., *The Communist Parties of Italy, France, and Spain: Postwar Change and Continuity: A Casebook*, Casebook Series on European Politics and Society, v. 1 (London: Allen & Unwin, 1981), 357–61.p. 357.

[539] Mitterrand still asserted in 1976: "J'admets que la Suède ne soit pas assez socialiste [...] dans la mesure où, en dépit d'une redistribution des revenus sans égale entre les groupes sociaux et les individus, elle n'a pas frappé le capitalisme au coeur, je veux dire au coeur de son pouvoir, la propriété des grands moyens de production. Mais l'URSS n'est pas socialiste non plus, dans la mesure où elle n'a pas su prendre en compte les libertés de la democratie socialiste." François Mitterrand, *L'abeille et l'architecte* (Paris: Flammarion, 1978), 166.

[540] Relations between Italian communists and several European socialist leaders – among them Palme, Mitterrand, and Brandt himself – grew closer during this period. Maggiorani and Ferrari, *L'Europa Da Togliatti a Berlinguer*, 53–75.

countries, like West Germany and Italy, a partial de-legitimisation of anti-communist attitudes was opening new space for collaboration between socialists and communists. This in turn opened new perspectives for a broad strengthening of the Western European Left.

Against this background, the mid-1970s emerged as a moment of culmination for Western European welfare states and interventionist economic policies and did not seem to even remotely presage the evolutions of the 1980s – when welfare states came under attack and neoliberal free-market ideology became hegemonic.[541] The long wave of 1968 was still perceptible in Western Europe. This was true even in countries where the Right continued to dominate, such as France where after 1974 the new 'pro-European' French President Valéry Giscard d'Estaing was certainly a liberal, but had been educated with *dirigiste* principles in the French *énarque* tradition and undertook social reforms.[542] By 1974, public spending started rising everywhere in Europe, and deficit spending was frequent – States were investing in the public and private sectors in order to counter the economic freeze, developing new social and cultural programmes, increasing social benefits and interventions. All EC member States were taking individual initiatives to increase social security.[543]

In Germany, after 1974, under the new chancellorship of the moderate social-democrat Helmut Schmidt, social expenses continued to rise: they increased by 3.4% in 1975 compared to the previous year, surpassing 340 billion DM (180,1 billion in 1970), thus four times more than in 1960 (68.9 billion).[544] In the UK, the new Labour leader Harold Wilson's main objectives were fighting inflation and reinforcing the welfare sate, in particular through housing policy and increased pensions. Throughout OECD countries, the percentage of GDP allocated to public spending rose from 31 to 40 per cent in the 1970s. In Western Europe this contribution was even greater, reaching more than 45 per cent and, in the case of Holland and Sweden, nearly 60 per

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[541] The neoliberal doctrine, established within a closed circle of economists in Mont Pèlerin in 1945, gradually started to conquer European thought in the 1970s. However, it wasn't until the turn of the 1980s that neoliberalism reached intellectual hegemony in Western Europe. See Philip Mirowski and Dieter Plehwe, eds., *The Road from Mont Pèlerin: The Making of the Neoliberalthought Collective* (Cambridge, Mass: Harvard University Press, 2009).

[542] See for instance Serge Berstein, Jean-François Sirinelli, and Jean-Claude Casanova, *Les Années Giscard: Les Réformes de Société, 1974-1981* (Paris: Armand Colin, 2007).

[543] For a detailed study of welfare states developments in Western Europe in this period, see Flora, *Growth to Limits*.

[544] See table in Silei, *Welfare State e Socialdemocrazia*, 2000, 361–62. On the role of left-wing parties in the social welfare achievements of the 1970s, see in particuler ibid., 370–81.

cent.[545]

The initial response to the collapse of the 'golden age' of managed capitalism was therefore a reinforcement of the 'Keynesian' state in Western Europe. Some scholars have insisted that national strategies continued to prevail in the post-1973 years.[546] However, it quickly appeared to everyone that nationally based responses to the unfolding events were inadequate. The crisis highlighted how capitalism had become so truly international, that balance of payment constraints could not be ignored and floating rates were not feasible, especially in a regionally integrated market like the EC where intra-European trade and the CAP depended on economic and monetary coordination. Following the collapse of Bretton Woods, European leaders led by the Giscard-Schmidt tandem would engaged on a forced march to monetary union, aiming to eliminate exchange-rate variability.[547] Co-ordinated development appeared to be the obvious answer.

In fact, European socialist leaders were quick to design the contours of a potential new economic outlook. Prominent figures like Brandt, Kreisky and Palme saw the crisis as a timely opportunity for the affirmation of Western European socialism. Meeting in December 1973 in Schlagenbad, they discussed how the oil crisis could pave the way for the expansion of the public transportation network and energy distribution, open new possibilities for planned economy and wealth redistribution.[548] The global crisis helped push socialist leaders further to the left in the short term and reinforced their belief in economic planning and progressive social policies. In a way, the crisis invalidated the sustainability of the model of regulated welfare capitalism that socialist and social-democratic parties had accepted since WWII. For many socialists, the violent economic crisis of the 1970s signalled the crisis of capitalism within a Marxist conception – the implosion of capitalism and the transition to socialism. Left-wing parties and policy makers thus started to call for a coordinated response to the crisis at EC-level. In March 1974, journalist Peter Jenkins

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[545] Glyn, *Capitalism Unleashed*, 17.

[546] See for instance Bickerton, *European Integration*, 96–99"The continued pursuit of national strategies." For Sassoon, the Left remained unable and unwilling to propose a "Europe-wide Keynesian coordinated reflation": See 'The crisis and the Left, an overview' Sassoon, *One Hundred Years of Socialism*, 1996, 445–68. Here p. 460.

[547] For an account of the collapse of Bretton Woods, the institution of the new system of floating exchange rates, and the fate of the European 'Snake' during the 1970s, see Eichengreen, *The European Economy Since 1945*, 242–51. On the creation of the European Monetary Union (EMU), see Mourlon-Druol, *A Europe Made of Money*.

[548] See Garavini, *After Empires*, 171.

observed in *The Guardian* that with the Labour Party government in the UK and the SPD government in Germany, a "new social-democratic axis" was possible to reshape the Community.[549] In the mid-1970s, a majority of EC member states had socialists and social democrats participating in government.

In sum, in the mid-1970s, over the ruins of the post-war 'order', Western Europe seemed to be at a crossroads. This, coinciding with the apex of social democracy and of Eurocommunism, opened a new window of opportunity for a reorienting of Western European countries and of the EC itself towards a more 'social(ist)' direction. The 'social Europe' project that had emerged in previous years with the 'Bonn thesis' and the Social Action Programme therefore entered a new phase: it needed to be consolidated and redefined to fit the new challenges of a rapidly shifting world, and a concrete political strategy needed to be designed for its implementation.

3. Designing a socialist alternative

During the years that followed the first oil shock, different visions competed for a European response to the unravelling of the post-war 'settlement'. Warlouzet identified three broad projects that coexisted and conflicted during the period between 1973 and 1986: the 'social', 'neo-mercantilist', and 'market-oriented' approaches. These visions coexisted both inside European institutions and within national governments.[550] The 'social Europe' project that had been put forward in previous years by the socialist and social-democratic parties of the EC (sometimes with the support of communist and 'moderate' parties) needed to be adapted to the new socio-economic context. In the crisis years, at a time when the European Left was up-and-coming and the first European elections were under way, 'social Europe' was reshaped to integrate new policy proposals. It evolved into a potential recovery plan, the European Left's vision of overcoming the global crisis.

New perspectives for a Europeanisation of party politics

The deep dislocations that took place during the 1970s seemed to open new possibilities for the realisation of the 'social Europe' project. This impression was

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[549] Peter Jenkins, "The Left bank of the Rhine", *The Guardian*, 15 March 1974.
[550] Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)."

reinforced by a series of changes taking place in EC politics, in particular the enhanced budgetary powers of the EP, the perspective of the first direct European election, and in 1975 the end of the British Labour Party's boycott. As socialists were gaining influence in the EC, they also continued their effort to achieve greater transnational coordination and for the definition of a common political line.

In the aftermath of the Bonn Congress 'for a social Europe', in April 1974, the socialist parties of the EC had adopted a new structuring of their cooperation with the inauguration of the Confederation of Socialist Parties of the EC (CSPEC), whose new officers – President Wilhelm Dröscher, vice-presidents Sicco Mansholt, Robert Pontillon and Ivar Nørgaard – enjoyed a much more prestigious international stature than their predecessors. The new rules of procedure introduced majority voting for some decisions and opened possibilities for the adoption of decisions binding on the parties.[551] This marked a new start in the parties' transnational cooperation and was supposed to reinforce the socialist and social democratic parties' political influence in the Community. However, the institutional improvements enabled by the reform were limited. Despite evident difficulties in improving formal cooperation throughout the 1970s – the first Congress of the CSPEC only took place in 1979 – informal cooperation increased significantly during the second half of the decade, at EC level and beyond. In November 1974, the first party leaders' summit of the EC was held in The Hague.[552]

New initiatives were also emerging among European socialists that sought to encourage a common socialist response to the crisis at EC level. For instance, on 22-24 November 1974 a 'European Socialist Assembly' was organised in Brussels by the 'European Left' movement – a part of the federalist 'European Movement' – where about three hundred "socialist and democratic" trade unionists, party leaders, members of European institutions and of the CSPEC and SGEP, but also local politicians and officials, gathered. The initiative followed a series of international seminars held in 1974 to discuss the main problems considered to be at the roots of

[551] Hix and Lesse, *Shaping a Vision*, 22–25. The new CSPEC created in 1974 did not, however, have the status of a supranational party; the new statutes specified that its decisions were not binding for the parties unless approved by the parties concerned. Despite the continued pressures of the most federalist branches of the Confederation – in particular the Dutch PvdA – the development of a proper European socialist party was not considered a realistic possibility by most of its members, at least in the near future.

[552] On the emergence and growing influence of party leaders' summits since the 1970s, see Simon Hix and Christopher Lord, *Political Parties in the European Union*, European Union Series (Basingstoke : New York: Macmillan ; St. Martin's Press, 1997), 183–97 chapter two.

the crisis affecting Western Europe. The Assembly issued an 'Address to the Socialist Parties of Europe' demanding a common European response from socialist and social-democratic parties, including a list of 'appeals' demanding a resetting of relations with 'Third World' countries, revision of the CAP, creation of a common regional and social policy, participation of workers' representatives to EC policy making, democratisation of its institutions, etc.[553] In a way, it could be argued that a social Europe 'lobby' had momentarily emerged, which increased pressure for coordinated action by EC socialist parties.

At the Paris Summit in December 1974 furthermore, the heads of government of the EC confirmed once and for all that there would be direct elections to the European Parliament 'in or after 1978'. This decision created a new impetus for a 'Europeanisation' of party politics in the EC.[554] In November 1974, the Confederation bureau had already proposed the drafting of a new Common Programme; it was now decided that this programme would be the basis of a common election manifesto in the European elections. As a result, discussions on the common programme engaged most of the socialist parties' common work during the second half of the 1970s. In fact, the two official structures of collaboration between socialist parties at EC level – the CSPEC and the SGEP – became the theoretical and political laboratories of this

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[553] AHEU, GSPE-058-EN, "Address to the Socialist Parties of Europe", pp.18-23; adopted by the 'European Socialist Assembly' organised in Brussels on 22-24 November 1974 by the European Socialist Movement (European Left). The Appeals demanded, among other things, "-an active social policy that reflects increased Community solidarity by granting aid to member countries with the lowest standard of living to help them make their social legislation more progressive, -a Community employment policy (…) which, with Community financing, will provide workers with complete protection against risks arising form economic changes: guaranteed salaries until they are re-employed, grants for retraining and redeployment of workers, -a comprehensive regional development policy that, by democratic regional planning, will provide employment for workers in their own region as part of a balanced development throughout the Community" (p.20-21), and the implementation of the EMU with a view to strengthening European economic and social cooperation along policies of full employment, short- and medium-term monetary support, recycling of oil dollars in a European context, regional and social assistance policies. Participants included trade unionists; several socialist leaders – such as the German President of the CSPEC Wilhem Dröscher, the chairman of the SGEP, the two chairmen of the Belgian Socialist Party, the Secretary-General of the Belgian General Federation of Labour (FGBT, one of the main trade unions), the First Secretary of the Partido Socialista Obrero Español –; socialist members of the Commission, of the EP, and of national parliaments; socialist parties' executive members and regional directors; mayors and local councilors, militants and young socialists from ten countries in Europe.

[554] The first direct elections eventually took place on 7-10 June 1979. See Pridham, *Transnational Party Co-Operation and European Integration*.The term 'Europeanisation' is broadly understood in this work as a process of increased cooperation and coordination of policy lines between states or parties. For discussions on scholarly debates on the use of 'Europeanisation' as a theoretical category and its relevance for historians, see for instance Martin Conway and Kiran Klaus Patel, eds., *Europeanization in the Twentieth Century: Historical Approaches*, Palgrave Macmillan Transnational History (New York, NY: Palgrave Macmillan, 2010).

coordination. Although the party leaders' summits and conferences increasingly concentrated political impetus and decision power, those two structures were important links in the effort of harmonisation and consensus seeking in the definition of a common socialist European policy.

The upcoming election of the EP was deemed a historic turn: it would confer a new democratic legitimacy to an Assembly that had already gained enhanced budgetary powers in recent years.[555] At a time when socialist and social-democratic parties – and the Left more broadly – virtually dominated the EC, this was no point of detail. After 1975, when the British Labour Party finally put an end to its EC boycott and sent a delegation of 18 deputies to the EP – thus becoming the dominant party of the SGEP – the Socialist Group became the largest group of the EP with 66 members (out of 198, a third of the total number of MEPs).[556] European Socialists were well aware that this predominant position of the Left was a crucial strategic tool to achieve a socialist EC, and that an alliance of the Left should be favoured against the threat of a coalition of centre-right parties.[557]

During this period, the Confederation of socialist parties of the EC therefore worked on drafting a common Socialist programme. It was a difficult endeavour that led to the adoption of several documents in line with the previous Bonn thesis 'for a social Europe': an ill-fated common European socialist electoral manifesto adopted by the CSPEC in June 1977; a 'Political Declaration' of socialist party leaders in June

[555] Priestley, *Six Battles That Shaped Europe's Parliament*.
[556] In July 1976, there were 18 British deputies, 17 German, 8 French, 7 Italians, 5 Dutch, 4 Belgian, 3 Danish, 2 Irish and 2 Luxembourg deputies. HAEU, GSPE-060-EN, "Background information on the SGEP, 9 July 1976: detailed composition and organisation of SG as of July 1976" (PE/GS/85/76), pp.276-277. The Chariman of the Group was Ludwig Fellermaier (FRG), who succeeded to Georges Spenale (Fr). Vice chairmen were: Michel Steward (UK), Pierre Giraud (Fr), Jan B. Broesk (Netherlands), Ernest Glinne (Be), and Egidio Ariosto (Italy). Secretary-General was Manfred Michel. Of the twelve vice-presidents of the EP, three belonged to the SG: Walter Behrendt (FRG), Achille Corona (It), and Sir Geoffrey de Freitas (UK). Five of the 13 parliamentary committees of the EP were then chaired by members of the Socialist Group: Committe on Economic and Monetary Affairs; Committee on Budgets; Committee on Regional policy, Regional planning and Transport; Environment, Public Health and Consumer Policy; Rules of Procedure and Petitions.
[557] HAEU, GSPE-059-EN, 'Information Document. Predominant position of the Socialist Group. Articles of the London *Times* of 10 October 1975' (PE/GS/189/75), pp. 163-166. The articles highlight how, facing the new predominance of the SG after UK Labour members finally joined the EP, the Torries hoped for a European centre-right block party including UK Conservatives, the European Christian Democrats, and the European Liberals, "an important step towards the Europeanisation of party politics" (p.164). In fact the upcoming direct elections led to a reorganisation of the Centre and Right in the EP: the centre-right 'European Peoples' Party' group was created in 1976 and adopted its common programme in 1978 but experienced internal scissions whereby more 'anti-Marxist alliance' advocates led by German CDU-CSU MEPs (but not the BE, NL and IT Christian Democrats who advocated centrist positions in part because of their relations with trade unions) joined British and French Conservatives into a new 'European Democratic Union' created in Salzburg in April 1978.

1978; and an 'Appeal to the electorate' in view of the elections.

Outlining a European Socialist Manifesto

The launch of he first European election manifesto – the 'Common European Socialist Programme' – began on an optimistic note under Mansholt's lead. However, it soon became clear that the undertaking would not be as easy as the leaders initially hoped. The CSPEC created a working group headed by Dröscher in February 1975; then suspended its work in December; then created a Steering Committee still chaired by Dröscher in January 1976 to coordinate the activities of four sub-parties: on economic policy (chaired by Rocard), social policy (chaired by Levi Sandri), democracy and institutions (chaired by Schelto Patijn, PvdA), and external relations (Bruno Friedrich, SPD). All member parties appointed delegates for each working group, meeting for the first time in April 1976.[558] The working parties submitted their reports in mid-1977, after which a single twenty-seven-page draft election manifesto was adopted and circulated to the national parties for amendments by the end of November 1977. The idea was to incorporate amendments and then agree on a final version to be adopted at a Congress of EC socialist parties to be held in March 1978, which should be put to European voters at the time of the first direct elections to the EP.

A closer look at the topics discussed in the working parties and the issues that arose from these discussions is useful to understand the outcome of this difficult undertaking. The themes initially debated were vast and reflected the ambition to imagine a Socialist programme for Europe that would entail a complete redefinition of European cooperation along socialist lines. Whereas 'social Europe' had initially been understood as a broad project of social and 'society' policy reform at EC level, during the crisis years and the run up to the first EP elections it evolved increasingly into an all-encompassing design for a 'Socialist Europe'. The discussion included issues such as: capitalism and market economy, influence of the state, investment control, economic crisis and unemployment, control of multinationals, technological development and industrial policy, bureaucratisation and alienation, worker participation and self-determination, "equality and fairness of the distribution of

[558] Simon Hix, *Shaping a Vision: A History of the Party of European Socialists, 1957-2002* (Bruxelles: Parti Socialiste Européen, 2002), 25-27. Other participants to the Social Policy sub-group included Jacques Delors and Ernest Glinne.

wealth”, minimum incomes and pension systems, regional problems, energy problems, environmental questions, health policy, relations with the Third World and redistribution of wealth, foreign and defence policies (role of NATO), etc.[559]

As early as the second meeting of the initial working party on 24 September 1975, a crucial question was raised by one of its most active members, Sicco Masholt:

> Sicco MANSHOLT felt that the question of principle then arose as to whether European Socialists wanted to continue seeking partial solutions within a capitalist system or to establish a new political basis. DRÖSCHER emphasized that the SPD could not go beyond the Godesberg Programme.[560]

Although several members of the CSPEC – including the German SPD members – were not prepared to challenge their commitment to market economy, the question of the very essence of socialism and of overcoming capitalism, which had emerged in European socialist spheres after the Mansholt polemics in earlier years, remained a topic of heated debate throughout the second half of the 1970s.

The draft election manifesto adopted unanimously by the bureau of the CSPEC on 6 June 1977 provided a comprehensive programme – including a collection of concrete policy proposals – to build “a peaceful Europe with higher standards of freedom, justice and solidarity, a Europe more socially just and with a more human face, a Europe of citizens and workers”[561] Basically, it was an updated version of the social Europe project that had been debated and matured by the socialist and social-democratic parties since the early 1970s. In line with that project and in light of the growing unemployment problem and the harsh consequences of the current crisis for European populations, the programme advocated change in the economic and social structures of the member countries of the EC in order to ensure full employment and fairer distribution of income and wealth. Economic democratisation, as well as economic and social planning remained mainstays of the programme of the European socialists. So too did involving workers and their representatives in economic and social planning in order to humanise living and working conditions, and democratic control “over the whole economy”.

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[559] IISH, CSPEC-18, ‘Socialist Programme working party, Draft report on the meeting on 24 September 1975 of the working party on a European Socialist Programme’.

[560] Ibid, p.4.

[561] IISH, CSPEC-19, ‘Draft election manifesto of the CSPEC’ (27p.) adopted by the Bureau of the CSPEC on 6 June 1977.

Importantly, the draft election manifesto introduced a new policy proposal to the usual ingredients of social Europe – working time reduction, which was understood as the only adequate solution to growing unemployment. Indeed, if less work was available in West European societies, then jobs needed to be 'shared' – or redistributed – among European populations. In particular, the manifesto advocated the reduction of the working week to 35 hours, a measure that had started to be advocated by most socialist trade unions and was gradually taken over by socialist parties, like the British Labour Party, the German SPD and the French PS. The EC was presented as the appropriate framework to achieve this and other crucial economic and social measures, to strengthen and harmonise comprehensive social welfare systems, to help improving educational opportunities, to create a modern environmental policy, to implement more just external relations, and so on.

Of course there still were imprecisions and ambiguities that reflected the parties' continued divergences regarding several issues – for instance on the notions of economic democracy, economic planning and state control. However, although the policies and measures proposed were the result of a broad compromise between the parties, it was the most ambitious and tangible document adopted so far to propose a coordinated European response to the global crisis in line with Socialist principles. The significance of this programme should not be underestimated. It represented the most programmatic concretisation of the efforts of socialist and social-democratic parties to use the EC to create a Socialist Europe. It was perhaps the most accomplished example of the European Left's attempt to formulate a joint way out of the crisis.

The document was not just a lowest common denominator, which is partly why most parties found it so hard to accept. Indeed, by the end of 1978 the manifesto was in disarray, as most national parties (excepted for the PosL) objected to the wording of the manifesto. The SPD and the PvdA alone had together proposed over sixty amendments; many national parties had already drafted their own programmes for the elections.[562] The bureau engaged efforts on preparing a revised version of the programme, but a political commitment by party leaders appeared necessary to solve the problem. In June 1978 in a summit meeting in Brussels, the socialist party leaders

[562] Hix and Lesse, *Shaping a Vision*, 25–32.The PSI, for instance disowned the provision for 35- hour working week stated in the Confederation's draft manifesto, as being too ambitious for the weak Italian economy.

of the 'Nine' signed a 31-points 'Political Declaration' on the basis of a text prepared by the bureau of the CSPEC, and presented it to a crowd of European journalists.[563] The declaration was a watered-down version of the draft electoral programme and was only intended to be a general framework of basic principles to guide the parties' European policy. The party leaders started by asserting:

> We, the Socialist parties of the EC are committed to the common goals of the pursuit of freedom, social justice, equality, and harmonious economic development. Our parties have inherited different experiences down the years. They operate in countries where the level of economic development, the intensity of social struggle, cultural traditions, awareness of social problems and the interplay of internal political alliances profoundly differ, yet we share a common goal of a more human and egalitarian Europe for all our citizens, as part of a new international order based on democratic socialist principles" (…) "the Community must now advance to a new phase in which the emphasis – in policy and in action – will be changed from the dictates of commercial interests to the pursuit of humane and cooperative goals.[564]

The declaration set out *common goals* for a coordinated socialist way out of the crisis. The party leaders reaffirmed their commitment to full employment, economic stability, fairer distribution of income and wealth, economic democracy, improved social security, better working and living conditions, improved educational opportunities, commitment to détente and peace and to development of the Third World (through new trade and monetary systems, and financial aid), protection of human rights, and to a new international order. In place of a clear call for economic planning, they advocated a very vague "effective and democratic economic structure".

Attempting a *concrete common policy plan* to reach these goals was much more difficult. To reduce unemployment, the socialists advocated quite vaguely "an active employment policy and the planning of the economy", but this time made no mention of working time reduction. Against alienation and worsening working and living conditions, they pleaded for increased responsibility for workers within the enterprise – democratisation within the enterprise and the economy as a whole should

[563] IISH, CSPEC 18, 'Party-leaders Conference 23-24 June 1978 Brussels'. All EC socialist party leaders attended the summit and signed the political declaration except the leader of the British Labour Party, Callaghan. That is even though the British Labour Party had joined – first as an observer – the CSPEC after the 1975 referendum, and had supported for the first time the idea of a common electoral manifesto prior to the leaders' summit. The Spanish and Portuguese leaders were also attending the summit; so were the leaders oft he CSPEC and the four socialist European commissioners: Roy Jenkins (LP-GB), Henk Vredeling (PvdA), Antonio Giolotti (PSI), and Claude Cheysson (PS-F).

[564] IISH, CSPEC 18, Party-leaders Conference 23-24 June 1978 Brussels, 'Political Declaration', here pp. 19-20.

be developed in a form appropriate to each country and in collaboration with the trade unions – as well as democratic control of major industrial and multinational companies (respect for competition rules, regulated transfer of profits, greater control of the movement of capital, controlled investment); active encouragement of small and medium-sized enterprises; and development of workers-cooperatives and similar social instruments. At Community level, the declaration outlined a few very broad policy goals in line with the ones previously outlined in the Bonn theses, such as democratisation of the institutions, a vigorous regional policy designed to reduce inequalities between the regions of the EC; an effective social policy capable of removing inequalities among the population, a common energy programme combined with development of alternative energy sources, enlargement to Greece, Spain and Portugal, commitment to détente and disarmament, and cooperation with developing countries.

This project was both ambitious in its goals and very vague in its proposals, therefore federating for the socialist parties, who were recently forced to acknowledge that they inevitably diverged when they discussed more concrete terms. As most press and academic commentators were quick to point out, the 'Political Declaration' was not much more than a vague summary of socialist principles with hardly any concrete proposals for a common policy.[565] To solve this problem, the bureau was charged to draft another document in view of the upcoming elections, an 'Appeal to the Electorate' that was presented and adopted at the 10th Congress of the CSPEC in Brussels in January 1979. The appeal was a series of joint proposals that the parties committed "to defend in each country and in the European Parliament".[566] They came down to the following seven aims:

1/ To ensure the right to work for all and in particular for youth, a right that should be assured "through reorientation and better control of the economy as well as through more active employment and education policies" (…) "and the planning of the economy" as well as "fairer distribution of available work with an important place being given to a shorter working day, a 35-hour working week, and a systematic policy of vocational training and retraining" with particular emphasis on young people, women, older workers, the disabled and foreign workers. This policy should

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[565] Hix and Lesse, *Shaping a Vision*, 30.

[566] IISH, CSPEC-8, 'Appeal to the electorate', 10th Congress of the CSPEC, Brussels 10-12 January 1979, here p.2.

be defined in collaboration with trade unions, in particular ETUC; 2/ To bring economic and social development under democratic control through structural reform, economic planning and effective controls on multinational companies and major industrial and financial groups "to ensure the democratization of industry at all levels in ways adapted to the specific circumstances of each individual country and in cooperation with the trade union organisations", and through development of workers cooperatives and stimulation of small and medium-sized firms; 3/ To fight pollution through the development of alternative sources of energy, and renouncement of the further development and use of nuclear energy; 4/ To end discrimination, in particular against women through education reform and the provision of child care; 5/ To protect the consumer through increased information and enhanced responsibility of producers; 6/ To promote peace, security and cooperation along the lines of détente, peace and disarmament, aid to developing countries (devoting 1% of EC countries PNB to development aid and favouring scientific and technical cooperation) and a fairer international economic order; 7/ To extend and defend human rights and civil liberties (e.g. fundamental economic and social rights such as the right to work and eliminating all discriminations against foreigners).[567]

During the election campaign, the Appeal was used by all the national parties except the Labour Party, who either added it as an appendix to their national manifestos or published it separately as an official party document. Meanwhile, a series of conferences and events were organised and hosted by the national parties on themes such as employment, social Europe and economic democracy. The campaign culminated in a demonstration of about 20, 000 party activists at the foot of the Eiffel Tower in May, two weeks before the elections. The rally was named the 'Springtime of European Socialism'.[568]

Despite the obvious limits that European socialists encountered in their attempt to outline a common programme, the second half of the 1970s saw increased and relentless attempts to define a socialist way out of the crisis and to adapt the 'social Europe' project to the shifting social, economic and political context of the time. With the emergence of the critical problem of unemployment, for instance, the

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[567] Ibid., pp.2-3. Following pressure from Mitterrand, the Appeal specified: "any further transfer of powers from national governments to the Community institutions or from national parliaments to the European parliament can take place only with the clear and direct assent of the national governments and parliaments" (p.6).
[568] Hix and Lesse, *Shaping a Vision*, 30–31.

socialist parties of the EC engaged their efforts in defining a fully-fledged "strategy for full employment", which included many concrete proposals including promoting effective demand from developing countries (through aid and stabilization of the prices of their export products); replacing growth strategy with selective growth strategy; enforcing better control and management of investments; creating work in the 'quaternary' sectors (non-commercial servicing); improving the division of work available; stimulating growth on a world scale; integrating incomes policy to reduce the differences in income; imposing government control on private investment to encourage small and medium firms; favouring innovation policy, regional policy and third world development; improving education policies especially for women and youth; and realising a fairer distribution of work (e.g. lengthening of compulsory education, early voluntary retirement, reduction of working hours, reduction of overtime work).[569]

In sum, between 1974 and 1979, European socialists undertook the long and laborious task of outlining a common European socialist manifesto. This endeavour was marked by several, sometimes bitter wrangles between the parties and highlighted the necessity to engage in more intense and long-term efforts for the gradual convergence of the parties' positions on 'Europe'. Despite all difficulties, the project for a 'Social Europe' that continued to take shape during these crucial years

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[569] Joop den Uyl was chairing the CSPEC working group on Employment that drafted a comprehensive report in view of the special conference on Employment in Amsterdam (held in December 1978) which presented a collection of possible measures to create employment: selective growth, incomes policy, investment management, work-sharing (redistribution of work, vocational training, shorter working hours, humanization of work through research into new technologies geared towards better working conditions and environment conditions, involvement of workers in staff management, more emphasis on health safeguard and labour protection on the factory floor), encouraging the quaternary sector, etc. The report ended by raising an important question: "There is a final, fundamental problem that must be faced by Socialists. In recent years social democrats have come to take for granted that steady growth and full employment were attainable in a capitalist economy. They have sought merely to tame capitalism by bringing it under greater public control and making it accept the growing burdens of the welfare state. There is now increasing evidence that this policy is reaching a dead end. With labour costs increasing and profits declining in many industries, we can no longer rely on the private accumulation of capital to fuel the expansion and create the jobs we need. Private investment is seeking increasingly to escape the burdens of the welfare state by concentrating on the industrial rationalisation which dispenses with labour or by diverting its resources overseas where greater profits can be made with lower labour costs. Socialists therefore face a choice. On the one hand they can rely on the profit motive which can only operate effectively by abandoning the traditional social democratic goals of full employment and higher public expenditure, or they can supplant the private accumulation of capital by far greater state control (and workers' control) over the investment process than they have so far contemplated. It is this problem which should now engage the attention of Socialists" (p.58) IISH, CSPEC-21, 'Draft report of the working Group "Employment"', 7 October 1978. See also IISH-CSPEC-11, 'Book leaf. Full Employment Conference, Amsterdam, 14-15 December 1978'. Includes "Theorems for the unemployment conference" by Joop den Uyl.

was in line with its previous development. Among its principal goals were still a fairer distribution of wealth, suppression of gender and other inequalities, improved working and living conditions, improved environment, control of multinationals and democratisation of the economy, and economic planning. The project was adapting to the shifting global context, and included new proposals and emphases, among which were the redistribution of work and support for the demands of developing countries. At the same time, the Socialist Group of the EP, which was partly independent from national parties, was also embarking on a similar undertaking.

The Socialist Group's attempt to define a common European policy in the EP

The work that took place within the Socialist Group of the EP to define common coherent, clear and fully-fledged positions on European policy issues and to increase their influence over the EC is practically unknown. Until the mid-1970s, the Group hardly managed to establish official positions in the different policy fields; in most cases members of the group worked and voted in parliamentary committees and in plenary sessions according to their own (or their national party's) position or according to the consensus found in committees. The prospect of the first direct elections of the EP evidently triggered new efforts to overcome this lack of coordination The arrival of the British delegation of MEPs also changed this status quo, as it became the most numerous delegation of the SG when it eventually joined the institution in June 1975. The predominance of the socialists in the EP also encouraged more organised and efficient work at Group level, to optimise the chances of orienting the EP's positions and resolutions. At a time when the EP seemed on the verge of acquiring more power within the EC's institutional 'triangle', this was deemed crucial. A change of strategy to become able to adopt systematic clear positions on the different policy fields appeared to be a precondition for possible future actions – such as oral questions, own-initiative reports, resolutions, etc. – in order to increase the weight of socialists in the Community.

Members of the Socialist Group therefore embarked on the endeavour of outlining their own policy programme for a socialist Europe: a common socialist strategy out of the crisis and for the redirection of the EC along socialist lines. The emerging debate – which took place mostly around 1975-1976 – within European institutions and between member states about the creation of the 'European Union'

provided another stimulus to define this Socialist Europe.[570] The Tindemans Report on the European Union and the EP's report on the issue – the Bertrand report – were received rather coldly by socialist MEPs, who considered the Christian Democrat's plan to revive European integration as not providing any tools to achieve a Socialist European Union, but on the contrary, as reinforcing the market-oriented approach, contrasting with the socialists' ambition to define a planned approach at European level.[571]

Furthermore, the French socialists were increasingly focusing their foreign policy outlook on the project of 'Socialist Europe'. Mitterrand's famous turn of phrase, "*L'Europe sera socialiste ou ne sera pas*", brought new initiatives within the EP.[572] In 1975 the French PS circulated a proposal for a socialist response to the crisis to all members of the SG, which invoked a coordinated change at European level –

[570] At their Paris Summit of 9-10 December 1974, in view of reviving European integration threatened by the economic crisis, the heads of governments of the EC instructed Leo Tindemans, the Christian Democrat and federalist Belgian Prime Minister, to draw up a report on how the 'European Union' might be built. The Tindemans Report on the European Union was published on 29 December 1975; it advocated consolidation of the existing institutions (e.g. strengthened legislative powers of the EP), recommended extending EC competences in the monetary, energy, social, education, environment, foreign policy and regional fields, advocated the creation of a European Armaments Agency, and so on. The report was not received with much enthusiasm by EC governments who were not prepared, in the worsening context of economic recession, to envisage further loss of national sovereignty; it was virtualy abandoned after the European Council meeting in The Hague on 30 September 1976. Gilbert, *European Integration*, 100–105.

[571] HAEU, GSPE-060-EN, pp. 161-165: 'Draft internal note for the SGEP on the report by Mr Tindemans on EU', 26 February 1976. Insists on the need for alternative model of economic growth geared towards improving living, working and environmental conditions, to determine common economic, political, social and monetary policy of a EU based on solidarity including: fairer distribution of income between different regions and strata of society; introduction of minimum income levels; economic and political democratisation (reforming SCE, ESC; majority vote in Council; consumer policy; increased power to trade unions at Community level to counter multinationals; extended consultation power to EP); see also HAEU, GSPE-060-EN, 'Information Memorandum on EU drawn by Mr Schelto Patijn, Mr Arie van der Hek and Mr Lo Castelijn for the executive of the P.v.d.A. and Members of the EEC Commission' (PE/GS/56/76), 8 March 1976, pp. 188-196. Some of the British MEPs were particularly critical, as they believed that "the establishment of Primary Socialism in the Member States themselves is a pre-condition for the achievement of a European Union" and that the very limited powers of the EP should be used, in close collaboration with the ICFTU/ETUC, to help the social-democratic parties of member states to achieve primary socialism in their country. See HAEU, GSPE-059-EN, 'Note. Memorandum by Lord Bruce of Donington on "European Union and the Achievement of Primary Socialism"', 3 September 1975, PE/GS/150/75, pp. 70-76, here p. 74.

[572] A slogan that Mitterrand used several times in the second half of the 1970s, for instance in an interview in *L'Unité*, January 1976. In October 1976, Rocard asserted : "Le masque des cocoricos gaullistes sur l'indépendance nationale alors même qu'on laissait se renforcer la domination des monopoles internationaux sur l'économie française est tombé. L'imposture de l'Europe du chômage, de l'inflation et de l'austérité est éclatante. Plus que jamais, le destin de l'Europe et du socialisme sont liés : le socialisme ne s'installera pas durablement en France sans le concours et l'appui des forces de progrès en Europe, l'Europe ne se construira pas sans la victoire des socialistes". HAEU, GSPE-140, 'Les socialistes français et l'Europe, entre les communists et les gaullistes', Michel Rocard, in *Revue Socialisme*, n°137, Octobre 1976, pp. 406-410, here p.410.

not merely a change in economic policy but in political economy, in the direction of socialism. The proposal basically summed up the French socialists' – and by extension the French alliance of the Left's – own strategy to overcome the crisis and implement a "new growth" model based on what it saw as a complete redefinition of labour/capital relations. For instance by substantially reducing working hours, reducing retirement age, banning redundancies, increasing the durability of goods, weakening the power of multinationals, introducing budget reform, tax reform and measures to combat tax fraud, as well as important structural reforms such as nationalisations, and so on.[573] Interestingly, the document made no mention of EC or European policy *per se*, but focused on proposing a coordinated socialist solution to the crisis at European level. The two things – a common EC policy of socialists and a coordinated policy of socialists in Europe – were in fact inseparable and were both understood as necessary for a socialist Europe.

Against this backdrop, the SGEP made increasing efforts to further define and detail its work programme and started creating working groups to tackle different burning policy issues. In April 1976, the bureau decided to set up a working party to draw up a medium- and long-term work programme for the SG.[574] At its meeting in Newcastle on 25-27 May 1976, the SG adopted its first short, medium and long-term

[573] HAEU, GSPE-059-EN: 'PE/GS/174/75. Document d'information concernant les propositions du Parti Socialiste Français pour faire face à la crise économique actuelle', pp. 117-123. This document was circulated among members after one of the SG's meetings, in Perpignan. The document contained a list of concrete proposals to create employment (reducing retirement age and working hours to 40 or 35, introducing a ban on redundancies unless prior retraining is provided, 2/3 of the guaranteed minimum wage for one year for all young people over the age of 18 looking for their first job, etc.); proposals to counteract the decline in purchasing power (exemption from VAT on essential products and increased rates for luxury products, increase of minimum old-age pension, indexing of wages and family allowances and family savings accounts, abolition of individual income tax payment for taxpayers declaring annual income of less than 25000 francs, etc.); and proposals for an economic plan based on reform of the budget, tax reform and measures to combat tax fraud, as well as structural reforms (nationalisations, incentives to labour-intensive undertakings, right of veto by workers on employment, redundancy, hygiene and working conditions, reform of social security).

[574] HAEU, GSPE-060-EN, 'Examination and adoption of the medium- and long-term work programme of the SG' (PE/GS/97/76), 17 May 1976, pp. 345-348. Immediate objectives included ensuring that EP powers were respected; development policy (UNCTAD); multinationals (transfer prices, capital movements, information, impact on investment, code of good behaviour - international agreements, restrictive business practices, taxes); monetary policy; regional policy and planning (size and access to Fund); agricultural reform; energy policy; industrial relations (worker participation and co-management, relations with trade unions including ETUC, job security, redundancy and dismissal). Medium-term objectives include foreign policy, transport policy, regional policy (frontier and peripheral, agriculture and fishing in underprivileged areas); energy policy; migrant workers' rights and integration; consumer protection; social services (welfare insurance and allowances, family policy (legislation, benefits, etc. relating to maririage and children), equality of opportunity and working conditions; environment protection. Long-term objectives: EU (Tindemann report), foreign policy, energy policy, education. Members included: Stewart (chaiman), Broeksz, Corona.

work programme. Following the elaboration of this programme and thanks to the creation of *ad hoc* working parties, the Group managed to adopt a number of policy statements on important aspects of European policy, such as the reform of the CAP, regional policy, unemployment policy, and so on.[575] In 1976 the SG also created an *ad hoc* working group to deal with the preparation of the upcoming Tripartite Conference and the question of a strategy for full employment and stability.[576] A revised and updated version was adopted in 1978, which was designed to improve the organisation of work and have a positive impact on public opinion in view of the first direct elections.[577]

Particularly interesting for the purpose of this research are the works that the SG carried out regarding employment and social policy and the efforts to clarify its position on those two policy issues. The Group created an *ad hoc* working group on employment chaired by the German MEP Rudi Adams – who had authored the SPD's texts for a social Europe a few years earlier – in September 1975, after Danish members asked for a Group initiative on the matter.[578] The working group on

[575] HAEU, GSPE-063-EN-B, 'Elaboration programme de travail du GS', 16th December 1977, pp. 170-171; HAEU, GSPE-065-EN-B, 'The Work of the Socialist Group in the EP - Report of the Xth Congress of the CSPEC, Brussels 10-12 January 1979 (by Fellermaier)', pp. 174-201. On 10-11 January 1978 the Bureau decided that a revision and closer definition of the programme was needed. HAEU, GSPE-064-EN-A, 'Note on the revision and updating of the work programme of the SG' (1978), p.18.

[576]HAEU, GSPE-061-EN, 'Réunion du groupe ad hoc le 9 juin à Amsterdam', p.375. The SGEP had set up an *ad-hoc* working group with a view to the preparation of the action of the Group in relation to a/ the Commission proposal concerning a Community Strategy for Full Employment and Stability (SEC 1400/76); b/ the Tripartite Conference; c/ Meeting with the ETUC. The first meeting to take place on 9 June 1976. Rudi Adams (SPD) had previously proposed the creation of an ad hoc working group including socialist members of the social affairs committee and socialist members of the economic and monetary committee in order to establish the Group position on the Commission document entitled 'Stratégie communautaire du plein emploi et de la stabilité'. HAEU, GSPE-061-FR-A, 'PV des réunions du GS des 5 et 6 mai à Bruxelles' (PE/GS/134/76), pp. 22-32

[577] HAEU, GSPE-064-EN-B, pp. 8-12: PE/GS/90/78 "Note. Examination of a revised and up-dated work programme of the Socialist Group". One part of the programme, titled "Europe for the people", included Citizens' Rights (development of 'Special Rights' in an EC Charter of Citizens' Rights, rights of the worker at his place of work i.e. participation and protection in case of mergers, right of petition, defense of individual in the field of data protection); Consumer Rights (consumer protection and education, measures against misleading advertising, harmonisation of insurance rights, product liability measures, etc.); The Environment (protection of the environment, housing policy, public transport provision); Social Affairs (priority was employment situation which would be covered under economic policy and where hard-hit groups should be targeted: women, youth, migrant workers, the handicapped - all of them should benefit in particular from education and job training policies, extension and harmonisation of access to health and social welfare services, family policy essential for women's rights and opportunities).

[578] HAEU, GSPE-059-EN, 'PE/G/154/75. Proposal from the Danish Members of the SG regarding consideration by the group of employment problems in the Community', pp. 86-88. At its meeting of 22 September 1975, the Bureau decided to set up an ad hoc working group on employment in the Community, with Rudi Adams as Chairman and one member from each country (Albers, Albertsen, Carpentier, Della Briotta, Dondelinger, Evans, Glinne and Kavanagh). The first meeting took place on

employment proposed a plenary debate on unemployment, organised consultation with ETUC and Socialist Commissioners for Social Affairs and Regional Affairs and drafted a position document on employment problems that was released on 20 April 1977, then discussed and adopted at an SG meeting in Brussels on 3-4 May 1978.[579]

The document, entitled 'Combatting unemployment in the Community', was not limited to considering unemployment issues in a narrow way; it constituted a milestone in the SG's effort to formulate a European Socialist way out of the crisis.[580] The document analysed the causes of unemployment; identified a general economic policy to create employment at Community level; and outlined specific employment policy measures to be carried out by Member States and at Community level. It is worth delving into the analysis of the crisis and the solutions proposed in order to understand to what extent European socialists – in this particular case the socialist MEPs – did in fact formulate a European-wide response to the end of the 'golden age', which could have been an alternative to the solutions adopted in the following decades by European governments.

The *new coordinated economic policy* proposed by the Socialist Group to overcome the crisis and restore employment relied on a coordination of the member states' national policies supervised by the EC. Given the intricacy of the member states' economies, only coordinated effort could effectively combat unemployment; since at Community level the instruments for a comprehensive economic policy (e.g. budgetary or monetary policies) were very limited, the EC institutions should push principally for the coordination of national instruments. Several concrete proposals were articulated. First, the adoption of effective Community policies in the social, industrial and regional fields and a revised mid-term economic policy based on "a more indicative system of planning at Community level". Second, the implementation of coordinated reflation to stabilise prices and balance of payments in each country. Third, coordinated investment policies, economic and production structures, and

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25 September..HAEU, GSPE-059-EN, PE/GS/175/75, 'Note for the attention of members of the ad hoc working group on employment problems in the Community', 26 September 1975, p. 124.

[579] HAEU, GSPE-064-EN-B, 'PV Réunions du GS à Bruxelles les 3 et 4 mai 1978', p. 38; HAEU, GSPE-059-EN, PE/GS/1756/75, 'Draft summary report of the meeting of the ad hoc working party on employment, 24 September 1975', p. 125

[580] HAEU, GSPE-063-EN-A, PE/GS/155/77/final, 'Combatting Unemployment in the Community', 20 April 1977, pp. 113-121. A 'Private Conference on Employment' was organized in Brussels in 1977 and attended by representatives of the Group and leading members of European trade unions; the SGEP and other documents where discussed at this occasion. IISH, CSPEC-38, Private conference on Employment 22 September 1977.

public-spending policies even if budgetary deficits were necessary – since the slowdown in demand was really a false problem, as many needs were still unsatisfied (e.g. housing, new environment-friendly energy resources, public facilities like hospitals, nurseries, schools, education, public transport, environment, sports facilities etc.) neglected by private initiative. Four, a requalification of the concept of 'growth' geared towards the pursuit of qualitative growth, calculated according to social criteria instead of the mere yardstick of GNP.[581]

Other measures were: coordinated taxation policies, legal decrees and prohibition; public investment and contracts; an active policy to combat price increase "by means of a close watch on concentrations and firms in dominant positions, a strengthening of legislation on competition and a system for price control"; an open and more just trade policy with third countries ("the Community should play an active role in defining a new world economic order to include a system of international agreements on raw materials which would fix fair prices for both producing and consuming countries"; reform of the international monetary system and monitoring of international capital movements in order to end speculative capital movements and variations in the rate of exchange of the main currencies, so as to combat trade balance deficits.[582]

Specific employment policy measures to be carried out *jointly by Member States* included: giving priority to the re-employment of persons who have been out of work for a long time; conducting agreements on the recruitment of workers from third countries at Community level; giving special attention to unemployment among certain groups particularly hard-hit (young people, women, and handicapped persons); inscribing the right to work in the constitution of all the countries of the Community; preferring public contracts over subsidies or tax concessions; conditioning any government spending granted to private undertakings on employment guarantees; direct state aid to major companies and to finance infrastructure measures only with capital share involvement and subject to democratic control; reduction of youth and female unemployment through vocational training and retraining; granting

[581] The objectives of a qualitative growth policy should include: -to eliminate excessive disparities in income and opportunity; -to improve working conditions; -to conserve energy and to develop new sources of energy, particularly of such a nature as not to harm the environment; -to step up environmental protection measures; -to improve consumer protection.

[582] HAEU, GSPE-063-EN-A, PE/GS/155/77/final, 'Combatting Unemployment in the Community', 20 April 1977, pp. 113-121, here p.116 and 117.

employment bonuses to undertakings hiring young people; raising the compulsory school-leaving age; ensuring that responsible authorities, unemployment benefit funds, labour exchanges and training establishments, as well as career advisers and other staff working in labour exchanges, acquire knowledge of what equality and equal treatment on the labour market means in practice; application of the new EC legislation on equal treatment for men and women; restructuring policies for certain sectors such as shipbuilding, textiles, iron and steel thanks to e.g. investment subsidies and loans with interest rebates (subject to specific conditions regarding employment); credit easing and investment subsidies for small and medium-sized undertakings (also subject to specific conditions on employment).

At the *Community level*, concrete measures proposed by the SG to fight unemployment included revising and increasing the resources of the EC Funds – mainly the ESF and Regional Fund (e.g. developing employment grants). Furthermore, and in line with the new proposals of the CSPEC and the ETUC, a main aspect of the Community program was to implement a general reduction of working time through legislation on: restricting overtime work and the practice of holding down a second job (moonlighting) e.g. by introducing a minimum wage in all member states; reduction of the working week and increase of annual leave coordinated among member states; granting special short and long-term leaves for vocational training; granting a year's paid parental-leave; application of flexible retirement age in all member states; extension of part-time work possibilities, especially for older workers and young workers with small children; introduction of a Community system of unemployment benefits; imposing income maintenance for vocational re-training; strengthening vocational training and re-training measures. The measures also included holding large companies to their labour market responsibilities (no condemnation of technical progress but compensatory measures for every job lost e.g. payment of a sum into a special fund for each job destroyed or the creation of substitute jobs; reduction or suppression of state subsidies; supplementary taxes). Another important aspect of Community policy was the democratisation of the economy, as usual understood both as enhanced participation of workers'

representatives in the decision-making at EC and national level, and as the association of workers in the management and ownership of enterprises.[583]

In the same period, the SG also, and for the first time, set up a working group on Social Policy, whose members were the socialist members of the Social Affairs committee of the EP. Its goal was to draft a reference document on the Group's position regarding social policy. The working group released a draft 'Document on Social Policy' in 1978 that was adopted by the SG during a meeting in February 1979 and subsequently published as a brochure in the context of the election campaign.[584] The document detailed the socialists' strategy for the realisation of a 'Socialist Community', referring to planning, redistribution and social justice. The social policy outlined in this document was in line with the 1973 Bonn policy statement 'Towards a Social Europe', which had hitherto guided the activities of the Socialist Group in the EP. The document assessed the efforts and achievements of the SG in the social policy field since 1973, and stated objectives for future action. In line with the position adopted in 1973, the socialists continued to advocate increased resources for the ESF, equal rights, opportunities and treatment for men and women, reform of all common policies – regional policy, CAP, etc. – to fulfil social objectives, special action for weaker categories (women, handicapped, migrant workers, young people), extension and harmonisation of social security, protection of workers rights, humanisation of work, inclusion of trade unions in Community decision-making, workers' participation in decision-making and profits in firms (economic democracy), and so on.

New elements were added to the Socialist Group's European social policy: such as family policy (including children policy and rights to parental leave), organisation of youth forums, and workers' housing policy. The Group gave more attention to migrant workers from third countries (who should have the same rights and security; and for whom special Community action should aim at developing sectors in which they were specialised in their own countries), put more emphasis on

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[583] "The situation as it stands at present, whereby the interests of a few economically strong elements dominate those of society as a whole, must be changed by extending the powers of co-decision of those affected and by democratic controls for the good of all. This would mean that those with political responsibility would be subject to less pressure from large undertakings and the economic security of the individual in society would be increased". HAEU, GSPE-063-EN-A, PE/GS/155/77/final, 'Combatting Unemployment in the Community', 20 April 1977, , pp. 113-121, here p. 121.

[584] HAEU, GSPE-066-EN, 'PV Réunions 8-9 Février 1979', pp. 28-29. The social policy document was adopted in February 1979 with one vote against and six abstentions.

women (reforming education and legal systems in member states for equal opportunities), on weaker populations and regions (job creation in particular for the hard-hit categories and in weaker regions like Ireland, northern UK, Mezzogiorno), and on poverty (continuation of action programme after 1980, increase in resources, etc.). Of course, unemployment was one of the main concerns of the social policy outlined by the SG: in line with the 'Combatting unemployment' document, the main measures proposed were reduction of working time, flexible retirement, introduction of part-time work, creation of a Community system of unemployment benefit, maintenance of income for vocational retraining, strengthening of vocational training and retraining measures.

Importantly, the document insisted that this list of necessary actions at Community level did not constitute a comprehensive or satisfactory social policy: "For the SG, an effective and credible social policy must cover the distribution of income and wealth". It suggested that the Commission undertake an assessment of the policies being implemented in the Member States for the redistribution of wealth and income, but remained vague on the measures that should be taken at EC or member state level to implement such redistribution.[585]

All in all, the period that stretched between 1974 and 1979 was a highly prolific phase for European socialists' efforts to enhance cooperation and define a common European line. Although these efforts did not lead to the realisation of a supranational socialist party with a common manifesto – far from it – they at least made possible the outlining of a plethora of policy proposals for a socialist response to the dislocations of the 1970s. 'Social Europe' therefore continued to take shape in those years, and adapted to the new context. Several items formed the core of this project and although they were not unanimously adopted by European socialists, they formed a consensus – including the progressive introduction of economic planning, the need for a thorough democratisation of the economy, for a reduction in working hours, for increased investment in the public sector, for supervision of international movements of capital, control of multinational corporations, and so on. In the CSPEC, and even more so in the SGEP, despite important divergences and reluctance to adopt a binding common programme, the parties did formulate basic views and practical proposals, which could then form the basis of joint meetings and action with

[585] GSPE-065-EN-B, PE/GS/194/78/final, 'Document on Social Policy' drafted by working group on Social Policy, pp. 87-114, here p. 113.

European trade unions and members of the Commission, and could serve as a platform for the first European election.

Aside from internal divergences between European socialists, their incapacity to agree on a common strategy for an alliance of the Left was one of the main reasons underlying the failure of this socialist project for Europe.

4. The impossible alliance

In a context most favourable to the Left in Western Europe, and with the progressive (although laborious) outlining of a common socialist response to the 'crisis', a reshaping of the Community along socialist lines seemed more than ever within reach. In the 'crossroads' years following the first oil shock however, despite recurrent calls for convergence of all 'democratic and progressive' forces, the consolidation of an alliance of the European Left proved impossible. In particular, British reluctance, the divergences and competition between the socialist line *à la Mitterrand* and the social-democratic line *à la Schmidt* were substantial obstacles. Nonetheless, the efforts of the socialist parties to define a common line at EC level and the progressive consolidation of the social-democratic lead on 'social Europe' had, in the long run, indirect consequences for the break-up with the communists and the eventual demise of Eurocommunism.

A window of opportunity for a social Europe alliance

The idea of an alliance between the forces of the European Left had already started to spread during the late 1960s and early 1970s. In the burning context of the mid-1970s, this alliance seemed all the more vital to the realisation of a social(ist) Europe. The relative predominance of the Left in EC countries – both in governments and in institutions like the EP – contributed to enhancing the tangibility of that project.

Thanks to increased coordination and clarification of their European policy, the socialist and social-democratic parties of the EC were in a better position to engage efforts to this end. The first, most obvious allies were the socialist and social-democratic trade unions organised at EC level. Throughout the 1970s the CSPEC and SGEP increased their efforts to coordinate their positions and actions with the trade unions, first of all with the ETUC, which was also making a lot of efforts during these

years to influence EC social and economic decisions and to voice its position on countering the crisis in accordance with workers' interests.[586] The SGEP in particular was inviting the unions to some of its group meetings and to hearings in parliamentary committees on different policy issues, not least regarding social policy and employment.

For instance, on the basis of the SG's work on unemployment, a 'Private Conference on Employment' was organised in September 1977 in Brussels, with the SGEP, the CSPEC, the ETUC and national trade unions' representatives.[587] The Conference was part of an attempt to launch a coordinated effort of European socialist forces at national and Community level, in pursuit of a strategy against unemployment. It included trade unions, socialists and social democrats, and socialist members of the Commission. Several points of divergence emerged during the discussions, both regarding the analysis of the causes and regarding the adequate solutions to the crisis and unemployment.[588] Consensus prevailed however on the urgent necessity to seize the opportunity presented by the Socialist predominance in Europe to implement a new economic policy based on planning at national and Community level. The Chairman, Glinne, summed up the discussion by listing the points on which there was more or less general agreement:

> 1/ Solutions to the employment problem were not likely to be found on a national level; 2/ However, too much cannot be expected from the Community, which does not have all the necessary powers; 3/ Socialists

[586] Gobin's argument that the ETUC failed to impose its views at the time – and throughout the entire history of the EC/EU – because it did not have a 'sister party' as most trade unions do at the national level, can be nuanced. There was an effort to formulate a socialist/social-democratic European policy during the 1970s, which was in many regards similar to the positioning of the ETUC. Coordination between the parties and unions organised at EC level manifestly increased. However internal divisions of the unions and parties and a lack of pressure from the base were important elements that impeded them to draw a successful European strategy. Gobin, "Consultation et Concertation Sociales à l'échelle de La Communauté Economique Européenne." This will be further developped in the next chapter.

[587] HAEU, GSPE-063-EN-A, 'PE/GS/204/77, Draft Summary Report on the Private Conference on Employment, 22nd September 1977 in Brussels', pp. 38-51. The Conference, attended by SGEP, CSPEC, ETUC and national trade union representatives, was organised to discuss the SG's document on unemployment, a document drafted by the ETUC and a report drafted by MEP Vredeing on the same topic.

[588] These included topics as vast as: the causality between unemployment and inflation; whether wages should be increased or restrained; which were the appropriate measures to control inflation; the need for economic protectionism (advocated by British MEPs); the opportunity to fight unemployment at Community level (British MEPs and others were skeptical since EC competences on economic policy and tools were limited); the need to reform the Treaty to allow for planning at Community level (revising the EC's competition policy); the question of incomes policy; the need to increase or reduce the EC's budget; and simply whether controlled investment within a market economy system was sufficient or whether market economy should be called into question altogether.

and trade unionists are not responsible for the economic liberalism on which the Community was founded. However, it should prove possible to introduce increasingly the concept of planning; 4/ Certain instruments available to the Commission should be reinforced - the regional and social funds and agricultural policy; 5/ Under industrial policy, small and medium-size firms should be encouraged, especially those which are labour intensive; 6/ Regardless of direct elections, the creation of employment is of paramount importance; 7/ It is now time for reflation - which must, however, be coordinated at Community level; 8/ The creation of employment has priority over fighting inflation; 9/ It was not accepted that wage increases cause inflation - these are a secondary effect caused by other factors, especially the price policies of big firms and the multinationals; 10/ Protectionism is not acceptable in the long term; 11/ The control of the movement of capital is essential; 12/ More investment by the public sector was necessary, but it had to be very selectively employed if it was to be effective; 13/ A reduction of working hours was generally acceptable - the means would have to be discussed further; 14/ Constructive cooperation with the Third World was desirable; 15/ Finally, democratisation of the economy has to be brought about to ensure participation by the maximum number of people in the decisions which affect their economic and social life.[589]

The participants agreed that the strategy to achieve this goal was through coordinated action of all socialist and social-democratic forces – both parties and unions – at Community level *and* at national level. Precise objectives should be fixed in the future to this end. The CSPEC would establish a calendar for coordinated action; the Council would have to give impetus (to give planning competences to the EC, reform funds, change treaties or pass directives on working time, etc.), which was deemed possible since socialist parties were in government in many countries.

Aside from the socialist trade unions, another set of potential allies for the socialists' project for Europe were the communists. During the crisis years and the years of Eurocommunism, the PCI encouraged its sister parties to commit to such a project. As mentioned earlier, the party – in particular some of its most 'Europeanist' figures like Amendola and Napolitano – increasingly pleaded for a broad political alliance at EC level to counter the crisis.[590] Against the background of the '*compromesso storico*' sealed with the Christian Democrats, the Italian communist

[589] HAEU, GSPE-063-EN-A, PE/GS/204/77, 'Draft Summary Report on the Private Conference on Employment, 22nd September 1977 in Brussels', pp. 38-51; here p. 51.
[590] Maggiorani and Ferrari, *L'Europa Da Togliatti a Berlinguer*, 64–75.

party was keen to extend its parliamentary strategy – based on alliances with socialist, social-democratic and other 'democratic' forces – at European level.[591]

The joint declarations issued between 1975 and 1977 by the PCI, the PCE and the PCF explicitly indicated the intent of Western European communist parties to seal a large progressive and democratic alliance to counter the crisis.[592] All three declarations started by noting how the deep economic, social, political, moral and cultural crisis affecting European capitalist societies, combined with the crisis of fascist regimes in Spain and Portugal and the advances in the process of international détente, raised new possibilities for such an alliance: for "a coming together of all democratic forces for a policy of democratic and social renewal and for a positive way out of the deep crisis gripping the capitalist countries of Europe".[593] In the communist parties' view, "The development of solid, lasting co-operation among communists and socialists constitutes the basis for this broad alliance", which should aim at isolating the forces of social conservatism and reaction and should include communists, socialists, social democrats, Christian democrats, and generally 'democrats and progressives'.[594] Importantly, in line with the socialists' view, the communist parties considered that this broad alliance should allow new orientations to be taken both on the level of the individual countries and on the West European/EC level. The common PCI-PCF declaration, for instance, stated:

> In conformity with the conclusions of the Conference of Communist Parties of Capitalist Europe, held in Brussels in January 1974, the two parties reaffirm their will to work to promote common action among the communist and socialist parties and all the democratic and progressive forces of Europe against fascism and all attacks on freedom, in defence of the interests of the working class and popular masses and for far-reaching democratic transformations in the economic and social structures. In the

[591] The growing "Europeanism" – and support for EC policies – of part of the PCI leadership was (and would always remain) linked to their focus on a parliamentary strategy, based on domestic and international alliances with social-democratic and socialist parties. On this topic see also Antonio Varsori, "The Italian Communist Party's European choice", in Guido Thiemeyer and Jenny Raflik-Grenouilleau, *Les Partis Politiques Européens Face Aux Premières Élections Directes Du Parlement Européen : European Political Parties and the First Direct Elections to the European Parliament*, 1. Edition. (Nomos, 2015), 109–18.

[592] See the "Joint declaration by the Italian Communist Party and the Spanish Communist Party" (Leghorn, July 12, 1975) in *The Italian Communists,* n°4 (June-August 1975), pp. 39-42; the "Joint declaration by the Italian Communist Party and the French Communist Party" (Rome, November 15, 1975) in *The Italian Communists*, n°5-6 (September-December 1975), pp. 74-79; the "Joint declaration by the PCE, PCF and PCI" (Madrid, March 3, 1977) in *The Italian Communists*, n°1 (January-March 1977), pp. 123-124. The declarations are reproduced in the appendix of Lange and Vannicelli, *The Communist Parties of Italy, France, and Spain*, 357–61.

[593] *Ibid*, p. 357.

[594] *Ibid*, pp. 359-360.

> face of the orientation, deeply hostile to popular interests, of the multinational and national monopolies and those ruling groups whose policies are aggravating unemployment and social imbalances in Common Market Europe, the two parties attribute great importance to the development of united initiatives by the popular forces and the left forces – within the framework of the European Parliament as well – for democratization of the orientations and modes of operation of the European Economic Community and for the progressive building of a democratic, peaceful and independent Europe.[595]

This new Europe pursued by the main communist parties of Western Europe was in many points similar to the 'social Europe' that the socialist and social-democratic parties invoked. It relied on the adoption of common democratic planned policies (including mid- and long-term economic planning, significant reforms of agricultural, social and regional policies, and implementation of full employment policy), monitoring of public and private enterprises, democratisation of the EC institutions, control of multinationals enforced at EC level, democratisation of the economy (democracy in the workplace, allowing the workers to participate in the running of their firms, with real rights and extensive decision-making powers) and the realisation of individual and collective freedoms, the establishment of new relations between the developed countries and the developing countries and the creation of a new international economic order.[596] During the 1970s, the Communists also increased their cooperation and weight at EC level, especially within the EP. In October 1973, the Communist and Allies Group of the EP had been officially created with fourteen members, mostly from the PCI and PCF. It counted fifteen members in July 1975 and seventeen in September 1977, and after the first direct elections it rose to 44 MEPs out of 410.[597] The two main communist parties and their MEPs, however, diverged significantly on some key European policy issues, like the direct elections of the EP that were strongly supported by the PCI (under Amendola's initiative) and initially fiercely opposed by the PCF. In 1977 the latter decided nonetheless to take part in the elections.[598]

[595] "Joint declaration by the Italian Communist Party and the French Communist Party" (Rome, November 15, 1975) in *The Italian Communists*, n°5-6 (September-December 1975), pp. 74-79, in Lange and Vannicelli, *The Communist Parties of Italy, France, and Spain*, 360.
[596] Ibid, p. 361.
[597] In September 1977, the Group was formed of 17 MEPS (9 PCI; 4 PCF; 1 Danish Socialistisk Folkeparti and 3 '*indipendenti di sinistra'* elected on the PCI lists). The Communists took took 10,7% of votes (24 PCI of which five independents, 19 PCF of which three independents, 1 Danish Socialistisk Folkeparti). European Parliament, *I Comunisti Al Parlamento Europeo*.
[598] The PCI had however abstained in the 1975 vote on direct elections to the EP, in order to preserve

During the 1970s in sum, the consolidation of the socialist parties' European project, the communist parties' turn to the EC, the electoral successes of socialist and communist parties in EC countries, and the similarities of their European projects opened a unique window of opportunity for an alliance of the European Left and for a reform of the EC – and of European integration and cooperation more broadly – along socialist lines. Several obstacles impeded this project however, among which were the British 'boycott', the rivalry between two 'clans' within the socialist family, and the eventual demise of Eurocommunism.

The British 'boycott'

By the second half of the 1970s, the main left-wing parties of the member states of the EC had consolidated the 'European turn' they had been undertaking since the 1960s. The British Labour Party was the remarkable exception to this trend.[599]

There was continued internal divergence in the party between a strong anti-EC faction and a pro EC-faction, that led to a party split over EC membership during the early 1970s. When Britain entered the EC in 1973, the party pronounced itself against the terms of membership that had been negotiated by the Heath government, which it deemed unfavourable to the British population's interests. The question naturally emerged of whether Labour deputies should join the EP. The anti-EC left of the LP argued that boycotting the EP would signal consistency in the party's position whereas the centre-right faction argued the party should participate in the EP to help change the EC from within. To the despair of the SGEP chairman and members, the anti-EC faction prevailed and the party decided to suspend participation in any EC institution or organ until renegotiation of the terms of accession.[600] This British

its alliance with the PCF. See on this Luigi Vittorio Majocchi, "La lotta per l'elezione del Parlamento europeo", in Ariane Landuyt and Daniela Preda, *I Movimenti per l'unità Europea : 1970-1986* (Il mulino, 2000). Luigi Vittorio Majocchi, *La lotta per l'elezione diretta del Parlamento europeo,* in *I movimenti per l'unità europea 1970-1986,* a cura di Ariane Landuyt e Daniela Preda, Bologna, Il Mulino, 2000 pp. 403-435. It is important to note that the parties also disagreed chronically on the question of the possible alliance with social democrats or other political forces. On the differences between the PCF and PCI over the different aspects of EC policy (European elections, common policies, supranationality), see Maggiorani and Ferrari, *L'Europa Da Togliatti a Berlinguer* especially pp.53-63.

[599] See Featherstone, *Socialist Parties and European Integration*, 1988; Robert Broad, *Labour's European Dilemmas: From Bevin to Blair* (Springer, 2001), 88–104. See also Steinnes, *The British Labour Party, Transnational Influences and European Community Membership, 1960-1973*.

[600] There are many evidences of this frustration in the archives of the SGEP regarding what was seen as a lost opportunity to change the Community from within. For instance: HAEU, GSPE-057-FR-A, 'The Labour Party and the European Community', article by Horst Seefeld in *Vorwärts*, 28 March 1974, pp. 259-262.

boycott of the EP prevented the SGEP from being the strongest group after the 1973 enlargement. It remained second after the Christian Democrats.

When it returned to power in March 1974, the Labour Party government engaged in renegotiation of the terms of membership, and then launched a referendum as promised in its election manifesto. During the campaign, the two wings of the party were split on the question. The decisive victory of the 'Yes' vote to staying in the EC in June 1975 forced the Labour Party to settle and to end its EC boycott, although the left of the party continued to be lukewarm on its participation in EC institutions and transnational socialist networks and initiatives at EC level – like the CSPEC and the SGEP. A result of these stirs, in November 1974 Wilson 'snubbed' the first socialist party leaders' summit meeting in The Hague.[601] The British Labour Party then abstained from the work on the common electoral manifesto – it only sent observers to the working parties – using as a justification a conference decision that rejected direct elections to the EP. This attitude of the British Labour party – which was numerically the strongest left-wing party in the EC – obviously greatly undermined the Left's ability to formulate a socialist answer to the crisis or to re-orient the EC towards socialist or social-democratic objectives.

At its October 1977 Congress, after the government lost its majority and was forced to make a tactical pact with the Liberals, the Labour Party reassessed its position on the EC by adopting a statement entitled 'The EEC and Britain – a Socialist Perspective'. It reasserted its opposition to the EMU and to direct elections and increased powers to the EP, called for a drastic reform of the CAP and Fisheries Policy, and insisted that "each country should be able to realise its own economic and social objectives under the sovereignty of its Parliament". The Congress seemed to mark a shift in the Party's attitude to the EC however; it indicated a move away from considering withdrawal from the EEC, and began examining ways of achieving reforms from within, in collaboration with European Socialists. It is worth noting nonetheless that an amendment to this statement was discussed but not adopted, which called for the Party to support and cooperate fully with other European Socialist Parties in formulating a Socialist manifesto for direct elections. The position of the party remained, as reiterated in the statement, that the priority should be to "work with the *European Left* - to create, within Europe, the climate and conditions

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[601] IISH, CSPEC-10, box on The Hague Summit Conference 1-2 November 1974.

needed for the development of socialism in each of the Member States".[602] It was therefore more focused on cooperation that might create space to manoeuvre in favour of socialist policies in each country rather than cooperating on a common project for socialism at European/EC level.

The same month, Callaghan, who had replaced Wilson at the head of the Party and government after he unexpectedly resigned for personal reasons in March 1976, wrote a letter to the Labour Secretary General Ron Hayward that listed the main elements for inclusion in the party's new proactive EC policy: a/ Maintenance of the authority of national governments and Parliaments (against direct elections and more powers to EP); b/ Democratic control of Community business (greater openness and information, greater parliamentary control); c/ Common policies must recognise the need for national Governments to attain their economic, industrial and regional objectives (no interference in socio-economic management); d/ Reform of the CAP; e/ The development of a Community energy policy compatible with national interests; f/ Enlargement of the Community. This "programme of radical reform within an evolving European Community" was only partially compatible with the project of reform and of transnational coordination envisaged at the same time by the socialist networks of the CSPEC and the SGEP, as it put much more emphasis on national democratic control than it did on European-wide planning and control.[603]

Therefore, the Labour Party's return to government between 1974 and 1979 did not give a boost to the 'social(ist) Europe' project as it could have. Although in June 1978 in London the Labour Party supported for the first time the idea of a common manifesto, Callaghan did not attend the leader's summit in Brussels the next day.[604] Labour remained a reluctant partner in the Confederation of socialist parties of the EC. In the EP, although they numerically dominated the Socialist Group from June 1975, Labour deputies did not take the lead of a radical 'social(ist) Europe' reform project and usually insisted on the need to limit EC competences until socialism was achieved in all EC countries.[605]

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[602] HAEU, GSPE-063-EN-A,: 'Note on the Labour Party Conference 1977, 24 October 1977', pp. 67-72, here p.70 (emphasis in original document). The statement proposed by the National Executive Commitee (chief administrative body of the LP), is reproduced on pp. 128-136.
[603] HAEU, GSPE-063-EN-A, "Letter from James Callaghan to the Secretary General of the Labour Party (Ron Hayward)", 5 October 1977, pp. 73-76; here p. 76.
[604] Hix and Lesse, *Shaping a Vision*, 27–28.
[605] HAEU, GSPE-059-EN, PE/GS/150/75 'Note. Memorandum by Lord Bruce of Donington on "European Union and the Achievement of Primary Socialism"'. 3 September 1975, pp. 70-76.

Similarly, the Labour government did not ease the adoption of social policy measures or directives at EC level. While preparing the UK's rotating presidency of the Council, planned for 1977, British officials faced the question of the second Social Action Programme, which was initially supposed to follow the application of the first SAP from 1976. Roy Jenkins' nomination as president of the Commission in 1977 would have favoured a SAP true to British interests. The government quickly gave up this opportunity and decided to focus exclusively on coordination of national policies.[606] According to Warlouzet, the Labour government wanted to avoid increased Community competences in the social field, and focus on obtaining as much funding from the ESF as possible.[607]

Social democracy vs democratic socialism

To schematise bluntly there were long-lasting divergences within the socialist family of the SI between the social-democratic parties, who had gradually abandoned their Marxist heritage, renounced the idea of a socialist revolution, adopted principles of (social-) liberal capitalist economy, and turned increasingly to middle class electorates on the one hand; and on the other hand the 'socialist' parties who were allegedly still true to Marx's doctrine, and who during the 1970s tended to advocate the superseding of capitalism, the implementation of a socialist society, and still presented themselves as working class parties. Although there is no established nomenclature, it can be said that generally the northern European parties – like the German SPD, Scandinavian social-democratic parties, or the British Labour Party – have readily adopted the adjective 'social democratic', whilst the southern Europeans – like the French, Italian and Spanish Socialist Parties – have been uneasy or even hostile to the term, preferring to call themselves socialist parties.[608]

[606] UK National Archives, FCO 30/3253 EEC social policy; CAB 193/176 EEC social policy: action programme (1976). Former General Secretary of DGV Michael Shank put forward proposals for a new Social Action Programme (including setting up an Employment Fund), but the Cabinet Office deemed resources and political will insufficient.

[607] Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 92.

[608] Of course, 'socialist' and 'social-democratic' ideologies evolved markedly during the post-war decades, they share a common tradition and characteristics, and each party hosted its own diverging currents that were more or less left- or right-wing or more or less anti- or pro-EC. Those currents varied with time and could influence the dominant party line in one or the other direction (antagonistic fractions coexisted within the French PS and British LP in particular), and it is beyond the scope of this

During the second half of the 1970s, these divergences sometimes escalated into tensions between the French PS and the German SPD – which were worsened by an open personal conflict between Mitterrand and Schmidt. The persistent divergences and incompatibilities between the parties and the two men were often commented on in the European press, especially when party leaders' meetings or meetings of the socialist Group took place.[609] At the first summit meeting of the EC socialist party leaders in The Hague in November 1974, for instance, the press noted that Mitterrand left before Schmidt arrived. These divergences were partly due to conflicting personal, ideological and strategic interests, and partly related to the differences that emerged between the two men – and between the parties more broadly – on how to respond to the crisis.[610]

Schmidt was well versed in economics and finance – he had been Brandt's Finance minister since 1972 – and in personal diplomacy. He saw the current crisis of capitalism as a great threat to world peace and the Western democratic political order; his own experience of history made him fear the rise of 'extremes' – in particular the ongoing rise of Eurocommunism. His overarching priority was to stabilise national economies and world economy through a 'global economic governance' capable of enforcing a 'balanced policy' stimulating investment and eschewing Keynesian remedies that, he believed, would only fuel inflation. He was fundamentally committed to the unity of Europe in partnership with the United States and developed a close and productive rapport with Giscard, Mitterrand's number one rival.[611]

Against 'stagflation', Schmidt encouraged the social-democratic parties of the EC to abandon deficit spending policies and to adopt economic 'rigour'. Schmidt appeared more straightforwardly liberal than his predecessor. Although he carefully avoided the term 'austerity', he was calling for economic and financial discipline,

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work to detail the nuances of these intra- and inter-party divergences. Padgett, *A History of Social Democracy in Postwar Europe*.

[609] For instance "Socialists of the Nine out of step", *The Guardian*, 4 November 1974. The article insists on the socialist parties' failure to iron out a joint approach and common answers to current problems, underlines Wilson's boycott and Mitterrand's early departure. The author goes: "The meeting served, perhaps, above all to highlight the ideological poverty of social democracy in Europe and the different positions the national parties hold in the Left-Right political spectrum"; "Eurosocialismo. A Roma il gruppo parlamentare europeo", *Il Messaggero*, Mercoledì 8 dicembre 1976. The article stated: "Indubbiamente la riunione ha dimostrato che il cammino da percorrere per una strategia unitaria socialista in Europa è ancora lungo. Sul piano dei contenuti economici, ad esempio, le posizioni sono apparse molto differenziate".

[610] See for instance Jean Lacouture, *Mitterrand: Une Histoire De Français* (Paris: Editions du Seuil, 1998).

[611] Kristina Spohr, *The Global Chancellor Helmut Schmidt and the Reshaping of the International Order*, First edition. (Oxford University Press, 2016) chapter 1.

harping on the need for balanced budgets, productive investments and an all-out fight against inflation through control of the money supply. Schmidt had distanced himself from the ongoing leftward tendency in international socialism; he did not approve of Brandt and his party's strategy when they condemned international capitalism and advocated state intervention, regulatory control over private enterprise, and cooperation with developing countries.[612]

In the UK, although the Labour Party rejected austerity and incomes policy, from March 1976 the new right-leaning Labour leader Callaghan shifted economic policy. After a run on the sterling that led to heavy borrowing from the IMF, and constrained by the alliance with the Liberals, Callaghan chose to favour deflation policy, undertook cuts in public spending and abandoned full employment. In the UK, and to some extent in West Germany, there was a distinct split between the party and government.[613] In the two countries, the social-democratic Left in government adopted new priorities supposed to restore growth: policies aimed at fighting inflation by containing wages, restraining public spending, encouraging private investment, adopting a new 'monetarist' doctrine, and so on. Social-democratic governments throughout Europe tended to encourage and promote a 'new social contract' through neocorporatist agreements or complex revenue policies to contain inflation.[614] In

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[612] Gerard Braunthal and Gerard Braunthal, *The German Social Democrats since 1969 : A Party in Power and Opposition*, Second edition. (Westview Press, 1994). According to Garavini, however, the Chancellor's view "was extremely isolated in the socialist galaxy at the time, and strongly opposed even within his own German social democratic party". Garavini, *After Empires*, 243. Nonetheless, Schmidt managed to establish himself during the second half of the 1970s as a world economic leader (in part through the institutionalization of the G7 top-summitry) and to impose financial and political discipline to his most erratic EC partners like Italy. See Spohr, *The Global Chancellor Helmut Schmidt and the Reshaping of the International Order* chapter 1.

[613] Silei, *Welfare State e Socialdemocrazia*, 2000, 338–60; Sassoon, *One Hundred Years of Socialism*, 1996, 469–534.

[614] Consultation of trade unions and employers under government auspices were sought in several countries in order to favour 'voluntary incomes policy' – to contain inflation by containing prices and wages – instead of compulsory incomes policies or worse deflations, which were highly unpopular with left-wing parties and trade unions. These initiatives were put forward in the UK and Germany during the 1960s and early 1970s, by left- and right-wing governments alike. In the UK, an agreement on wage containment with the unions was sought by Conservatives, and then by the Labour government in the UK during the 1960s. It became a very controversial issue that divided the LP and the relations between the labour government and the TUC in 1969 after the then Employment Minister Barbara Castle issued a report unhappily entited 'In place of Strike'; and again after 1974 under the Callaghan Labour government. Although the question was dividing the Left in Europe, socialists were not generally opposed to the principle. As Sassoon notes, "To reject any form of incomes policy as a matter of principle amounts to accepting the primacy of market preference over social needs in the determination of wages: a hard principle to justify if you are a socialist and insist that all major economic variables must be regulated. Over the long or medium term an incomes policy may be acceptable to workers if the eventual distribution of income is considered to be fair." See Sassoon, *One Hundred Years of Socialism*, 1996, 365–66. See also Wolfgang Streeck, and Philippe Schmitter, "From

contrast, socialist parties like the French PS and the Italian PSI – that remained opposition forces at the time – advocated radically different responses, including extensive nationalisations, increased public spending and state intervention, increased taxation of wealth, fighting fiscal fraud and evasion, and so on.

Another point of discord between Mitterrand and Schmidt and an issue dividing the 'socialist family' more broadly was the question of alliances with other parties, in particular with the communists. In line with the alliance established since 1972 with the PCF, Mitterrand's PS encouraged an alliance between socialist and communist parties at EC level. Schmidt and the rest of the social democrats including labourists, on the other hand, were fiercely opposed to any form of collaboration with communists and preferred to look right, to the forces of the centre and even centre-right. Within the SI and the CSPEC, the relations of the French and other socialist parties with the communist parties were never accepted and created periodic tensions.[615] In the SGEP too, the question of cooperation with the communists in the EP was recurrent and delicate and often undermined the parties' cooperation. In 1974, the Socialist Group discussed the attitude and strategy to be adopted towards the new Communist and Allies Group. The minutes of the meeting are the only official document of the SGEP that has been classified over the whole decade.[616]

The Northern social-democratic parties dominated West European transnational socialist structures like the SI and the CSPEC at the time. It can be argued however, that the 1970s saw a competition for hegemony over the socialist movement in Western Europe between two models – social democracy and democratic socialism – and in particular between Schmidt and Mitterrand's visions.

National Corporatism to Transnational Pluralism: Organized Interests in the Single European Market", *Politics and Society* 19.1 (1988): 109-132.

[615] For instance IISH, SI-276, 'General Secretary's Report of the May 1971 SI Council Conference Helsinki by Hans Janitschek, 14 January 1971, confidential'. The report mentions a split in the Luxembourg party over the question of collaboration with communists: the old PosL was in favour of joint action and even coalition, while the group that split away, the 'Social Democratic Convention' was strictly against it. The 'Convention' included well-kown 'pro-European' personalities such as Fernand Georges, General Secretary of the EEC Socialist Bureau,

[616] HAEU, GSPE-057-FR-A, PS/GS/73/74, 'Note sur les attitudes à prendre en ce qui concerne le groupe des communistes et apparentés au Parlement européen', p. 243. Since the early 1970s, the question of cooperation with communists in the EP was a recurring point of debate during the SG. Some MEPs, like Lulling (and the Commissioner Mansholt) were looking right and opposed cooperation with communists. See for instance HAEU, GSPE-053, 'Minutes of the extraordinary meeting of the Bureau and the SGEP on 29 May 1972', pp. 285-305. Others, like Vredeling, were looking left. See HAEU, GSPE-053, 'Déclaration du MEP Henk Vredeling au congrès organisé par le parti communiste italien à Rome du 23 au 25 novembre 1971 sur des questions de politique européenne', pp.73-80.

This competition was even more decisive at times when regime change was taking place in several countries of Southern Europe, with profound interference from other Western European countries and deep implications for the European Left.[617] Alan Granadino has showed the role of Western European socialist parties in helping to consolidate pro-Western, moderate social-democratic leaning socialist parties in Spain and Portugal.[618] The parties developed economic support, diplomatic initiatives and networking activities to assert their ideological influence over their socialist allies in countries that were potential future members of the EC.

The changes taking place in Southern Europe opened possibilities for new alliances and a new balance of power between 'socialists' and social democrats in Western Europe – and potentially in the EC after enlargement. In 1976, Mitterrand took the lead to organise what he named the 'first Conference of the socialist parties of Southern Europe'. This initiative followed a meeting between 'Southern' socialist party leaders in May 1975 in Latche, South-west France, where Mitterrand owned a holiday house. The Conference took place in Paris on 24 and 25 January on the initiative of the French PS and aimed to reinforce discussions and links between socialists of Southern countries that, according to the organisers, shared specific and characteristic features, such as the coexistence of socialist and communist parties of varying but significant weight – in order to outline a 'socialist alternative', a project

[617] The process of stabilisation in Southern European countries during the 1970s – Portugal, Spain, Greece and Italy – was mainly the outcome of a series of political and economic initiatives by the main Western European powers, especially West Germany and France. This process of stabilization was in great part achieved through the EC and proved that European integration had important international political meaning. In this process, US, Germany and the UK systematically sought to encourage political parties and alliances that could both ensure the anchoring of southern countries to the West and block the political progress of communist parties. In Portugal and Spain, this was achieved through active support (economic support, political recognition and diplomatic initiatives) for the socialist leaders and parties: for Mario Soares and his moderated pro-Western SP against the PCP in Portugal, and for the young socialist leader Felipe Gonzalez against the return of military dictatorship and the rise to power of the communists in Spain. The goal was to impose the moderates as the most obvious partners of the US and above all the EC. This Western European interference also affected Italy, where political, economic and social instability and the prospect of the PCI coming to power caused major concern among the dominant Western powers. The SPD-led West German government, together with the US, France and Britain, worked out a common strategy that could bar the communists from office if needed. See the special issue of the *JEIH* on the stabilisation of Southern Europe during the 1970s, *JEIH* 1/2009, vol 15, pp. 1-196, in particular the introduction by Varsori: Antonio Varsori, "Crisis and Stabilization in Southern Europe during the 1970s: Western Strategy, European Instruments," *Journal of European Integration History* 15, no. 1 (2009): 5–14; Antonio Varsori, "Puerto Rico (1976): Le Potenze Occidentali e Il Problema Comunista in Italia," *Ventunesimo Secolo* 7, no. 16 (2008): 89–121.

[618] Alan Granadino's work focused particularly on the influence of the French PS and English LP on Spanish and Portuguese socialist parties. Alan Granadino, *Democratic Socialism or Social Democracy? : The Influence of the British Labour Party and the Parti Socialiste Français in the Ideological Transformation of the Partido Socialista Português and the Partido Socialista Obrero Español in the Mid-1970s*, EUI PhD Theses. (European University Institute, 2016).

for a new society perceived as the only appropriate response to the challenges of the time.[619]

Clearly, the aim of the French socialists – who probably never truly considered themselves as part of 'Southern' Europe and in fact invited allied parties like the Belgian or Luxembourg ones, whose 'southern' characteristics were disputable to say the least – was to rally the socialist parties of Spain, Italy and Portugal and others, to their own understanding of socialism. That was, a socialism centred on full employment, democratic economic management – "*la planification tant au plan regional, national qu'européen*" – increased public powers and the satisfaction of collective needs. The concepts of autogestion and democratic economic planning, central to the French socialists' programme at the time, were repeatedly asserted and presented as common goals of Southern European socialists. The Conference report stated:

> Au pouvoir presque absolu et arbitraire des puissances de l'argent, le socialisme oppose l'autogestion dans le cadre d'une planification démocratique. C'est-à-dire la promotion de la démocratie dans l'entreprise et dans l'économie nationale. (…) le thème de l'autogestion, repris par plusieurs partis socialistes de l'Europe du Sud, devient la marque de l'identité socialiste.[620]

Autogestion, it is worth noting, was only conceivable in the public sector, and would have to be implemented and developed after massive extension of the public sector : "*Les partis socialistes d'Europe du Sud affirment tous la nécessité d'arracher au pouvoir de l'argent les ressorts principaux de l'économie par les nationalisations qu'ils s'imposent*".[621]

The Conference therefore marked a will to assert a socialist vision of society, economy, politics, and of Europe itself that was different from the social-democratic one. Socialists of Southern Europe were presented as part of a somehow distinctly specific family of socialism and as the true parties of the workers. Importantly, the

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[619] HAEU, GSPE-138, 'Conférence des partis socialistes d'Europe du Sud, Paris, 24-25 janvier 1976' (report by Robert Pontillon – with the contribution of Georges Debunne). The aim of the Conference was not to create a distinct common structure outside the SI, but alledgedly to launch a common reflection between socialist parties in a region of the world where socialists, according to the report, shared specific structural and ideological features. The folder contains reports of the four committees of the Conference e.g. 'Le socialisme Européen face à la crise du capitalisme' and 'défendre et renforcer la démocratie en Europe par le Socialisme'.

[620] *Ibid,* p.19.

[621] *Ibid*, p.20.

Conference called for an alliance of all political forces – parties and unions – that truly fought for the defence of workers' interest in socialism at European level:

> Les partis socialistes d'Europe du sud portent les espoirs des travailleurs. Loin d'apparaitre comme l'aile timorée de la gauche, ils affirment hautement leur identité. Voulant exprimer chaque jour davantage les intérêts de la classe ouvrière, ils avancent un projet de société qui est fondé sur la notion d'autogestion, c'est-à-dire de démocratie généralisée. Rejetant l'idée d'un parti privilégié qui porterait la charge exclusive des intérêts du monde du travail, ils proclament leur vocation à rassembler les masses populaires avec les partis et organisations representatifs des travailleurs pour construire ce socialism à l'ordre du jour.[622]

This implied – although it was not stated very clearly – seeking alliances with communist forces of 'Southern' European countries. It was an affirmation of the French understanding of the alliance of the Left, which was encouraged at national and European level.

Unsurprisingly, Mitterrand's initiative to federate 'Southern' socialists around his own political agenda and to favour cooperation with communists unleashed a true storm. The organisation of the Conference provoked vivid tensions within the Socialist International: at the Party Leaders' Conference that took place in Elsinore (Denmark) just a few days before, a split emerged between North and South European socialist leaders over the question of relations with the Communists.[623] On 9 February, the American *Newsweek* reported a division within Western Europe's Socialist Leaders between the "more moderate, social democratic delegates" led by Helmut Schmidt, and the "militants" under the leadership of Mitterrand, over the question of joining political alliances with communist parties. The article explained with some irony:

> The result was to open a rift within the Socialist movement that has suddenly become Europe's hottest political topic. And last week, in what appeared a deliberate move, Mitterrand widened that breach still further. He did so by staging in Paris what was described as a meeting of "Southern European" Socialists. Both before and after the gathering, the French Socialist leader maintained in public statements that he was not attempting to "fractionize" the Socialist parties of Europe or set himself up as a rival to the Socialist International, the established confederation of European Socialists. But despite Mitterrand's disclaimer, the Paris summit was clearly a meeting of the like-minded. The Belgians, who cling closely to Mitterrand's ideological coat-tails, and the Luxembourgers, who disapprove of Schmidt's anti-Communist position at Elsinore, were both

[622] *Ibid*, p.25.
[623] IISH, SI-348 (Party Leaders' Conferences), Elsinore (Denmark), 19 January 1976.

present, somehow mysteriously transformed into Southern Europeans for the occasion. In addition, Greek leftist leader Andreas Papandreou and a delegation of Yugoslav Communists were there as observers. But Portuguese Socialist leader Mario Soares, a staunch anti-Communist, was notably absent.[624]

Divergences certainly also emerged between the 'Southern' socialist parties who participated to the Conference.[625] However, the two-day meeting enabled Mitterrand to assert some influence over the Socialist parties of Portugal, Spain, Italy, Greece, Belgium and Luxembourg, and to underscore the fact that not all European socialists were prepared to follow Helmut Schmidt's tough anti-communist and austerity line. The confrontation between Mitterrand and Schmidt over the question of communist participation in Western European governments clearly had deep implications for the wider context of Western Europe and for projects of European integration – the EC and the 'socialist Europe' project in particular. In Schmidt's view, if communists were welcomed into European governments, they would overwhelm the socialists, undermine détente and compromise EEC or NATO countries' abilities to honour the foreign policy commitments to which they were bound, e.g. their contribution to the Atlantic Alliance and the collective defence capacity.[626] In Mitterrand's view, the alliance with communists, both at national and EC level, was the only way to truly assert socialism in Europe. The two models of 'socialism' implied, in that sense, two distinct models of European cooperation and integration; two distinct strategies to reform the EC and to build 'social Europe'. It is striking how the fate of social(ist) Europe was also contingent, ultimately, upon Cold War rationales.

[624] 'Socialists: A House Divided', in *Newsweek*, 9 February 1976 by Kenneth Labich and Edward Behr.
[625] The archival sources kept on this event are scarce; however, they seem to indicate that differences persisted, for instance on incomes policy and workers' 'control'/'participation'/'self-management'..
[626] IISH, SI-348 (Party Leaders' Conferences), Elsinore (Denmark), 19 January 1976, 'Press cuttings'. Wilson delivered a similar view during the Elsinore meeting. The United States, meanwhile, were exerting all the pressure they could muster on the European Socialists to steer clear of the Communists. As the *Newsweek* article rightly noted, political realities at home also influenced Schmidt's fierce opposition to cooperation with communists at Elsinore. Indeed, he faced a difficult re-election campaign in the Autumn, and the opposition party, the Christian Democratic Union, was ready to pounce on any hint that the SPD planned further movement to the left. Recently, former Chancellor Brandt, still very influential in the SPD and SI spheres, had told an interviewer that he favoured informal, informational contacts with communists in France and Italy. Brandt's remark had raised strong attacks from the opposition. "Socialist: A House Divided", *Newsweek*, 9 February 1976.

The consolidation of the social-democratic lead on 'social' Europe

The issue of collaboration with communist forces and the rivalry between the two models of socialism continued unresolved throughout the decade.[627] Nevertheless, Mitterand's attempt to launch and consolidate a 'Southern' socialist bloc gradually faded and the social-democratic line eventually imposed itself as the dominant standpoint in West and South European – and EC – countries. The 1976 'first' conference of the socialist parties of Southern Europe was never followed by other initiatives of the kind. There were a series of factors for this defeat of the left-leaning 'coalition'.

First, the dominant social-democratic parties of the EC – SPD and LP chiefly – managed to progressively establish their influence over the smaller parties, especially the emerging Southern parties. They did so through financial support, increased contacts, diplomatic initiatives, and so on. Granadino showed, for instance, how the French PS' initial influence over the Portuguese socialists was gradually replaced after the start of the 1974 Carnation Revolution by the growing influence of the British LP, the German SPD and other social-democratic parties of 'northern' Europe. This was in part due to the political and financial support that those parties were able to offer to the PSP. This realignment came with a gradual repositioning of the Portuguese socialists in terms of ideology, strategy and organisation, and regarding European integration and the EC. In Portugal and Spain, the Iberian socialists, who for some time in the early 1970s contemplated following the French model of '*programme commun'* with the communists, gradually turned to fighting the Iberian communists with the help of the German and British social-democrats.[628]

[627] IISH, SI-348 (Party Leaders' Conferences), Amsterdam, 16-17 April 1977: contains the 'Reports of the three working parties on the round table conference on peace and security on 5-6 November 1976' which contain a paragraph on contacts between social democrats and communists stating that the working parties saw general agreement on the usefulness of contacts but some disagreements on the formal procedure. Contacts at the party level were especially questioned. The problem was again raised between the party leaders during the meeting.

[628] The French PS had initially managed, since the 1960s, to establish a significant influence over the Portuguese socialists. This influence resulted in the creation in 1973 of a Portuguese PS of Marxist inspiration, democratic, open to an alliance of the left, that advocated a profound transformation of the EC into a truly socialist, democratic and anticapitalist Community, which needed to be changed from within by socialists. This European vision changed as the party became more receptive to the social-democratic parties' line. In 1975, the first democratic elections in Portugal saw the victory of the socialists led by Soares. The financial aid offered by the EC, and the fact that five out of the nine EC members were then governed by social-democratic parties, helped to push Portugal towards EC accession despite the capitalist and a-democratic flaws of the Community. From 1976 already, the shift of the PSP's idea of 'Europe' (the EC) was clear, when its leaders started to express a positive view of

Against this background, the French socialists were increasingly isolated; Soares' absence at the 1976 Paris Conference was already an indicator of this loss of influence.

In Italy, the PS failed to build strong ties with its sister party – the PSI. Italian socialists were far behind the communists, who had, moreover, chosen the '*compromesso storico*' with the Christian democrats over the '*alternativa di sinistra*' advocated by PSI Secretary Francesco De Martino. As Giovanni Bernardini showed, his successor Bettino Craxi was identified by the SPD as a potential partner to 'stabilise' the internal Italian situation – and undermine the PCI's success.[629] From 1976 onwards, Craxi undertook to shift the party's ideology away from the Marxist tradition, pursued an independent policy against the *compromesso storico*, and even tried to combine Berlinguer's popular concept of Eurocommunism with 'Eurosocialism'.[630] Italian socialists were therefore increasingly difficult to rally to the French line, even more so because the French PS had close ties to the PCI.

Second, the transnational networks and structures of cooperation of the socialist and social-democratic parties of Western Europe – and of the EC – were numerically and qualitatively dominated by the social-democratic-labourist axis. During those years the SI, the CSPEC and the SGEP, as discussed earlier, were increasingly engaged in an effort to enhance cooperation and to define a common political line to influence the EC and to counter the crisis. Proactive SPD members often took the lead in the work of these structures. The CSPEC and the SGEP were both presided over by German SPD members during the second half of the 1970s: Dröscher and Fellermaier respectively. Moreover, these structures were increasingly

the EC in their declarations, and their wish to see Portugal integrating the EC (Soares applied for membership in 1977). Granadino, *Democratic Socialism or Social Democracy?*

[629] Giovanni Bernardini, "Stability and Socialist Autonomy: The SPD, the PSI and the Italian Political Crisis of the 1970s," *Journal of European Integration History* 15, no. 1 (2009): 95–114.

[630] HAEU, GSPE-062-EN-B, p.17: "Cresce il ruolo del PSI", *Avanti!*, 8 dicembre 1976. The article relates the recent meeting of the SGEP in Rome (7-8 December 1976) to discuss the political situation in Italy (introduction by MEPs Giuseppe Amadei per il PSDI e Mario Zagari per il PSI). Were present the leaders of the PSI and PSDI parties Benedetto Craxi and Pier Luigi Romita, as well as the President of the SGEP, the German MEP Ludwig Fellermayer (SPD). Craxi, in his welcome address, asserted that "Eurosocialism" was not a slogan "ma un idea-forza che vuole riassumere la ricchezza di tradizioni e di idee diverse che unsicono forze che si ritrovano in un commune apprezzamento dei valori di uguaglianza e libertà come base, fine e condizione del socialismo: è questo il significato della ripresa della solidarietà e dell'azione comune dei partiti socialisti e socialdemocratici europei" (p.17).

involved in supporting and influencing socialist parties in Southern European countries.[631]

Third, the French PS was quite divided internally, with factions that contrasted significantly on some key policy issues, including European ones. This was especially the case after the arrival of the '*courant des Assises*' – part of Michel Rocard's anti-communist PSU – who joined the PS in 1974. Rocard, just like his ally the ex-Christian trade union confederation CFDT, was one of the first proponents of 'autogestion' and 'socialisme autogestionnaire' in France since the late 1960s. As Georgi argued, their reformist conception differed significantly from the CERES or the PCF's more traditionally Marxist idea of workers' control.[632] The French *Union de la gauche* was increasingly torn by the tensions between the different currents during the second half of the 1970s.

Most importantly, the alliance of the French socialists and communists underwent a number of strains that seriously undermined the Union of the Left and led, in 1977, to the collapse of the *Programme Commun*. This was the result first of a series of small incidents, like the French commitment of support to a coalition of Western European socialists mobilised to support Soares' and to keep communists from coming to power in Portugal, which obviously was not taken well by the PCF.[633]

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[631] HAEU, GSPE-057-FR-A, 'Rapport sur la mission d'une délégation du groupe socialiste au Portugal du 13 au 17 juin 1974', pp. 382-388The document details the programme and content of the discussions that were held during the mission (Soares was absent). Worth noting, the document mentions the establishment of greater contacts between the PPS and the SGEP, UPSCE, and socialists of the CoE; the financial aid granted from the SG (20000UC); the establishment of 3-months internships within Group for members of PPS; and the intervention of the SG towards other Community institutions to ensure EC financial and technical support to Partugal. The mission was welcomed with much enthusiasm as an important event by PPS delegates and by media. Importance of European social(-democratic) parties and of EC is seen as crucial in anchoring Portugal to democracy.

[632] During the 1970s, a shift was perceptible in France, from '*autogestion*' specifically referring to the workplace to a more general concept that aimed to encompass all aspects of social life, as illustrated by Pierre Rosanvallon's 1976 book, *L'Age de l'autogestion*. Rosanvallon vas close to Rocard in the PS, and was responsible of the CFDT's theorical journal. According to Georgi, their understanding of autogestion differed completely from Marxism as it was reformist rather than revolutionary in nature. However, the PSU generally considered itself as standing on the left of the PS and the PCF. The battle between Mitterrand and Rocard took its roots partly in this ambivalence. Rocard would later oppose what he named the 'two cultures' of the French Left in a speech in June 1977: the 'décentralisatrice et autogestionnaire' culture against the 'jacobine et étatique' one. The concept was later abandonned by the CFDT itself in 1986. Georgi, "L'autogestion En France Des 'Années 1968' Aux Années 1980. Essor et Déclin d'une Utopie Politique"; Rosanvallon Pierre, *L'âge de l'autogestion* (Paris: Seuil, 1976).

[633] After the 1975 Portuguese elections, facing new tensions with the communist party and the MFA (Movimento de las Fuerzas Armadas), European socialist and social-democratic leaders formed in August 1975 the *Comité de Solidaridad y Amistad con la Democracia y el Socialismo en Portugal*, an informal committee aimed at coordinating activities in order to impede Portuguese communists from seizing power. Leaders of social-democratic parties of Germany, UK, Austria, Sweden, Holland,

Relations between the two parties became increasingly difficult after July 1977, when strong disagreements arose regarding defence policy. The PCF believed that the PS was not respecting its commitments. A period of renegotiation of the Programme opened, but did not succeed. The break-up of the *Union de la gauche* was then really sealed by the PCF after the March 1978 legislative elections, which saw not only a general defeat of the Left but also the first victory of the PS over the PCF (22.8 per cent to 20.6 per cent). As Bracke noted, the hypothesis has always existed that the break-up of the alliance was the result of direct Soviet interference.[634]

Historians have certainly overlooked the role of the PS' relations with other European socialists in the break-up of the *Union de la gauche*. The efforts of socialist and social-democratic parties to increase cooperation and agree on a common programme in view of the first European elections had a decisive impact on the deterioration of the alliance between the PS and the PCF. The common programme adopted by the CSPEC in June 1977 was perceived by the PCF as treason to the common programme of the Left. It raised fierce controversy between the two parties. The communist press underlined the social-democratic orientation of the programme and its incompatibility with the *Programme Commun*.[635] Comparing the two common programmes, *L'Humanité* argued that they conflicted on every aspect of foreign, social and economic policy and attacked the common programme of the socialist and social-democratic parties as making allegiance with the interests of capital – putting the public sector at the service of the private sector, reproducing the employers' arguments and demands, confiscating economic democratisation from the workers to entrust it to the technocratic organs of Brussels.[636] It highlighted the differences in the

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Norway, Denmark, Finland and the French socialists led by François Mitterrand formed this committee.

[634] Although archival evidence for this has not so far come to light, it probably played a role, as did the pressure from the wider world communist movement, and from the growing number of conservatives in the leadership of the PCF on the Marchais-Kanapa duo. Bracke, *Which Socialism?*, 352. After the overall victory of the Left in the 1977 municipal elections, the PCF demanded nationalisations and increased powers to trade unions within the public sector, as agreed on the *programme commun*. The PS refused. Tartakowsky, Bergounioux, and Bartolone, *L'union sans unité*.

[635] HAEU, GSPE-140, "Nous, partis sociaux democrates de la CEE…", *L'Humanité*, 4 juillet 1977. The article insists on the social-democratic imprint of the common programme (the declaration alledgedly started with "We, the social-democratic parties of the EEC") and on the predominance of the SPD over the preparatory works, but underlines that French socialists were very active in these meetings – in particular Rocard for the working party on economy, Pontillon for external policy, Jacques Delors for social policy and Jean-Pierre Cot for the institutions.

[636] "Le vrai "programme commun" du PS?", *L'Humanité*, 28 October 1977. The article describes as follows the programme of the USPEC, which "n'est pas seulement différent, mais *incompatible avec le programme commun*. Il vise, pour l'essentiel, à pousser l'intégration politique entre les neuf pays du

position adopted by the PS in the April 1973 'Bonn theses for a social Europe' compared to the 1977 common programme – in particular regarding nationalisations and self-management, two highly sensitive issues for the PS-PCF alliance.[637] The article concluded with a sharp accusatory rhetorical question:

> Est-ce l'adoption, le 6 juin 1977, de ce programme commun des partis socialistes ouest-européens qui explique l'abandon *au même moment* par le partis socialiste des dispositions essentielles du programme commun de la gauche française ? La coincidence est telle qu'il est impossible de ne pas se poser la question.[638]

During the following months, *L'Humanité* continued to accuse the PS of purposedly breaking up its commitment and alliance with the PCF. It denounced "*la réalité du tournant à droite du Parti socialiste*" and accused Mitterrand of choosing austerity '*à la Schmidt'*. The election on 19 January 1977 of Robert Pontillon at the presidency of the CSPEC increased the communists' suspicions, as Schmidt and the SPD openly supported him.[639]

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marché commun par l'extension des pouvoirs supranationaux des institutions européennes". The programme, the article argued, put France and Europe on the Atlantic side of a binary superpower world division and promoted political and military alignment with the West (NATO). In economic and social matters, the article underlined the "antinomy" of the CSPEC programme with the *Programme commun*: it did not commit to fight unemployment but to organise the labour market, organising workers' mobility according to the needs of capital, carrying out a policy sustaining structural unemployment with increased use of public fundings through the different European funds, and seeking to organise the economic transformation imposed by industrial and financial groupings; it did not fight inflation but reproduced the employers' view that increased salaries were the cause of inflation, as well as their ideas of profit exoneration and public financing of trusts; it did not fight, as pretended, for a fairer distribution of incomes and wealth, but sought to canalise incomes towards accumulation funds of big firms and to integrate workers thanks to a pseudo-participation to the companies' profits (but did not challenge profits and capital); it did not restructure the economy in line with the workers' needs but favoured collaboration between governments to facilitate restructuring and reorganisation of big capital – this was interpreted in the article as a *changement sur le fond* where the public sector was placed at the service of the private sector in order to consolidate managed capitalism; it is not even about economic democratisation, since despite the promises, democratisation was confiscated and entrusted to the the technocratic organs of Brussels.

[637] In the April 1973 'Bonn theses', the French PS explained that it called for « l'extension des nationalisations avec la décentralisation de leur gestion » whereas in the new common programme it downgraded to the possibility of « éventuellement d'étendre le champ du service public ». Regarding workers' control, the 1973 document stated « que la marche vers la démocratie économique ne passe pas par la cogestion dans les entreprises privées », that the PS was on this issue « en plein accord avec toutes les organisations syndicales françaises » and was favourable « dans le secteur privé, à l'accroissement des pouvoirs d'information et de contrôle des travailleurs (…) L'originalité de sa position étant de se placer dans la perspective de l'autogestion s'exerçant dans le cadre d'une planification démocratique ». In the 1977 programme, the institutions of Brussels were in charge of drafting a 'code de bonne conduite' for the multinationals, of realising a European status of societies that relied on a generalisation of cogestion *'à l'allemande'*, of favouring the conclusion of collective conventions, etc.

[638] "Le vrai "programme commun" du PS?", *L'Humanité*, 28 October 1977.

[639] "Mandaté par les partis socialistes d'Europe", *L'Humanité*, 20 January 1978. The nomination of Pontillon is described as "le prix de l'abandon du programme commun".

The PS, naturally, denied these accusations.[640] However, it did at the same time reestablish relations with its ally-rival the SPD. After a series of meetings between Mitterrand and Brandt in 1976, the two parties established joint working groups to reach common positions on important issues such as European policy, development policy and 'Economy and Society Policy'. This led to the adoption of a common PS-SPD declaration in February 1978.[641] This reshuffled the cards and increased the possibilities of a consensus of European socialists on a common European line – a year before the first EP elections.

In any case, it is clear from the different documents and policy statements adopted jointly by the socialist and social-democratic parties of the EC in the CSPEC and SGEP that the PS, like the other parties, gradually converged towards a consensus that did undermine the principles of the *Programme commun* and that did dismiss, to a greater and greater extent, the possibility of an alliance of socialist and communist forces at European level. There was an inconsistency in Mitterrand's strategy of working on both fronts, with communists and with social democrats, at European level. In searching for consensus, the socialist parties were led to progressively abandon the more radical stance that they had adopted in relation to European integration and the EC in the early 1970s. This was at least the case for the PS, and for its 'Southern' socialist sister parties.

Finally, and consequently, the demise of Eurocommunism at the end of the 1970s added to the fading away of possibilities for a European-level union of the Left that would have included communists. Bracke has thoroughly analysed the reasons

[640] HAEU, GSPE-140, 'Arguments et Documents', 'Argumentaire', 'Résolution du Comité Directeur du PS du 8 Octobre 1977' on the actualisation of the Common Programme.

[641] HAEU, GSPE-140, PS/CE/7/78, 'Rencontre biltérale PS-SPD', 3 February 1978. Common declaration of Mitterrand and Brandt,. Resulting from the work of the three working groups established in April 1976 after Mitterrand-Brandt meeting on the themes: 'Economy and Society policy', 'Europe', 'Development policy'. The significance of this declaration had less to do with its content (right to work, varied causes of inflation, economic democracy, developing countries and fair world trade, détente and disarmament, enlargement and European elections) than with the fact that the two parties were working on reaching common positions on important European, world and socio-economic issues. This was important, as the diverging views between PS and SPD (regarding co-management/self-management for instance) had been one of the main obstacles to the formulation of a European-level Socialist programme (and binding supranational political structure). The common declaration specifies regarding economic democracy: "Le SPD, pour sa part, s'est prononcé pour la cogestion paritaire des entreprises et le renforcement des attributions des conseils d'entreprise. Le PS, de son côté, préconise l'octroi de nouveaux droits aux travailleurs, notamment par l'élargissement et le renforcement des pouvoirs des comités d'entreprises et, dans les entreprises publiques, la creation des conseils d'atelier, ainsi que la participation des représentants des salariés dans les organes de direction. Il ne s'agit, dans son esprit, que de jalons – très importants en eux-mêmes – sur la voie qui doit conduire à l'autogestion. Dans les deux cas, le droit pour le travailleur d'intervenir étroitement sur les conditions et la finalité de son travail est considéré par les deux partis, comme essentiel" (p.2).

for the break-up of Eurocommunism in 1978-79. The PCF's distancing from the PS and from Eurocommunist ideas, and its subsequent rapprochement with the Soviet Union, the PCE's domestic situation and hesitations, and the PCI's increasing ties to socialist and social-democratic parties of Western Europe were some of them.[642] This did not mean that the communists ceased to be influential parties overnight, and to try to influence European policy-making. From the point of view of the European elections, the PCI continued to invest in its parliamentary strategy within the EP and developed strong ties with the French socialists to that end.[643]

5. Conclusion

In sum, the period that stretched from the 1973 'oil shock' – or 'oil revolution', as it was perceived in the producing countries – to the end of the decade was a period of important evolution for the European Left's project for Europe. In those years, the world – and Western Europe in particular – found themselves at a crossroads. The fall of Bretton Woods, the momentary weakening of the United States' authority, the emergence of a union of the Third World for a redistribution of power and wealth, the oil crisis and the ensuing energy crisis, the economic recession and the emergence of 'stagflation' and employment, the progress of détente and the gradual opening of East-West dialogue, the assertion of a new role for the EC, and the fall of dictatorial regimes in Southern Europe all converged to disrupt the stability of the postwar order of regulated capitalism and to open a new window of opportunity for a socialist alternative. At the same time, the socialist and communist Left was rising virtually

[642] Eurocommunism was also from the start countered by the superpowers – both by the US, for obvious reasons, and by the Soviets, who rejected it for strategic and doctrinal reasons – although their positioning and interference was always ambiguous. Bracke, *Which Socialism?* in particular chapter 8. For an overview of the intensified contacts of the PCI with socialist and social-democratic parties, see Heinz Timmermann,"Democratic Socialists, Eurocommunists, and the West", in William E. Griffith, *The European Left, Italy, France, and Spain* (Lexington Books, 1979), 167–98.

[643] The French PS was by then favouring an alliance with the PCI in the directly elected EP, in order to counter-balance dominance of the German SPD within the EP. Some declarations of French PS members in this sense provoked polemics in Italy in September 1979, as it raised tensions among the members of the PSI – among whom Mario Zagari, the Vice-President of the EP. GSPE-065-EN-A, pp.241-250: "Note. Press polemics on relations between the Italian Socialists and Communist parties", 18 September 1978. The document contains transcriptions of press articles among which: "The difficult progress of the Communists in Europe" by Mario Zagari, *Avanti*, 13 September 1978; "Statements by Claude Estier (French Socialist Party) and Manuel Azcarate (Spanish Communist Party)", *L'Unità* 16 September 1978; "Claude Estier, Mitterrand's right-hand man, speaks about politics and the European elections" *La Repubblica*, 15 September 1978. In the latter interview, referring to the forthcoming EP elections, Estier stated: "It is extremely important for us that the *genuinely* left-wing forces within the future European Parliament should join in concerted action". The articles are translated in English in the Socialist Group's archive, hence the English titles.

everywhere in Western Europe. Against this changing background, the prospect of an alliance of 'the Left' that might reshape the EC became increasingly plausible.

The dominant social-democratic parties and the socialist parties of the EC – and for their part the communist parties – therefore engaged in renewed efforts to improve their transnational cooperation and to coordinate their lines on European policy. Within the Socialist International, the newly inaugurated Confederation of socialist parties of the EC and the Socialist Group of the EP, European socialists improved their level of organisation and worked to adopt common programmes and policy statements. Although this undertaking, and even more so the idea of a broad 'alliance of the Left' revealed important differences and wrangles between the parties, their increased transnational cooperation started to lead the parties increasingly towards a gradual alignment of their policies – not just European but national macro-economic policies. In the long run, this process would have profound consequences for the parties' repositioning with a consolidation of the social-democratic lead on 'social Europe'.

The peculiar context of the 1970s led to a significant redefinition of the 'social Europe' project after 1973. At a time when capitalism seemed on the rocks, and with new challenges in sight – not least the rising problem of unemployment – it was clear to everyone that an alternative model was needed. European socialists were confident that the socialist alternative was the only viable response to the ongoing 'crisis'. Mitterrand's favourite *bon mot* during those years – *"l'Europe sera socialiste ou ne sera pas"* – was perhaps the most eloquent mark of this confidence. In a way, the project for a 'social Europe', which had taken root in the golden age of social democracy, evolved into a project for a plain 'socialist Europe', in which radical socio-economic and political reforms would allow for the supersession of the capitalist outlook of Western European societies and of the EC itself. Socialist Europe relied fundamentally on the coordinated action of European countries and joint action at Community level – increased intervention of the state and of the EC into the economy, economic planning, political and economic democratisation, wealth and income redistribution, implementation of a new international economic order favourable to developing countries, control of multinational corporations and investment control, the right to work and reduction of working time, income policy, equal treatment for men and women, improved living and working conditions, and increased social protection and rights were among the main features of this project.

Although a general leftward tendency was perceptible among the Western European socialist movements during those years, 'Northern' and 'Southern' Socialists were divided about the adequate response to the crisis. Schmidt and Callaghan undertook a shift in economic policy in those years, adopting 'austerity' and monetarist policies that broke with the socialist parties' traditions. They rejected the idea of a broad alliance with communist forces. Mitterrand undertook the uneasy challenge of uniting 'southern' socialist parties around a common project that was much more radical than the plans social democrats in northern governments were putting into place. Democratic economic planning, extensive nationalisations and the implementation of *autogestion* were the keywords of this project.

In the long run, the inability of European socialists to agree on concrete proposals to put forward a common European socialist programme, their inability to seal a broad alliance of the Left at European/EC level, and the fundamental disagreements and rivalries between socialist and social-democratic parties were important causes for the failure of the interventionist and redistributive social Europe. At the peak of their prestige and power in the second half of the 1970s, European socialists did however make a few attempts to implement their design at EC level. These attempts would encounter steady reaction from the liberal and conservative forces at the turn of the 1980s, when the demise of social democracy in Western Europe went hand in hand with the demise of 'social Europe'.

Chapter Six
‘Revolution’ and counter-revolution: the lost battle for a ‘Social Europe’

1. Introduction

The ‘long 1970s’ had seen a profound disruption of the global post-war ‘order’, perceived as a ‘crisis’ by those who lived it, which opened a period of transition when radically different alternatives were possible. In Western Europe, social conflict was rising and, together with unemployment and inflation, calling for new responses. A window of opportunity had opened, just when the European Left was at its historical high. European social democracy was in its golden years, and it now saw the enlarged European Community as a tool to implement a new era of democratic socialism atop the ruins of capitalism.

The transnational European Left – parties and unions alike – had since the late 1960s imagined a ‘social’ or ‘socialist’ Europe that relied fundamentally on redistribution and democratisation based on state- and EC-level interventionism: economic and social planning, economic democratisation, increased public spending to satisfy collective needs, control of investments, control of big firms and multinational companies, suppression of discrimination towards women, migrant workers, the youth, elderly, and disabled populations, improved working and living conditions through a ‘humanisation’ of work and environment, redistribution of work through a reduction of working time and redistribution of incomes through fiscal and income policies, and so on. This ‘socialist alternative’ was meant to be a response to the ‘crisis’ of the 1970s. It relied on coordination of macro-economic policies *and* on a reform of the European Community along socialist lines – two levels that were absolutely indissociable. This would have meant redefining the very nature and political economy of European integration. The fate of this project hinged on the ability of the European left to unite and impose its views.

Instead, the turn of the 1980s witnessed a very different picture. In a regression from their growing success and confidence throughout the decade,

European social democrats suffered important political and ideological setbacks in the late 1970s and early 1980s. At the same time, the period of transition that opened with the dismantling of the postwar 'order' was coming to a close, giving way to a new world regime that was less and less favourable to European socialists' projects. By the mid-1980s, 'socialist Europe' was out of sight. This period saw what could be considered the European socialists' lost battle for a social Europe.

This chapter first examines how the political context became increasingly unfavourable to European social-democratic forces and to a redistributive 'social Europe' towards the late 1970s. It then turns to describe how the Left lost its battle at the turn of the 1980s through a number of key cases. First, it looks at the failed 'Eurocorporatist' attempt to seal a new European social pact between EC member States and 'social partners'. It then delves into the epic defeats of the European Left on two important struggles fought at EC level: imposing a new macro-economic policy against unemployment, relying on the reduction of working time; and implementing industrial democracy and control over multinational corporations with the 'Vredeling Directive'.

This directive proposed a regulation of the procedures of 'information and consultation of workers in undertakings with complex structures'. It was named after the then Commissioner for Social Affairs and former member of the European Parliament Henk Vredeling, who had been one of the main advocates of a redistributive democratic social Europe since the 1960s. The proposal raised fierce reactions from European and international business circles and right-wing forces, who viewed it as an attempt at "revolution".[644] It unshackled what was described at the time as "the most expensive lobbying campaign in the European Parliament's history".[645]

These specific defeats were part of the broader defeat of 'social Europe' and had long-lasting consequences for the nature of European integration.

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[644] The term was use by the then Director General of the DGV Social Affairs of the European Commission, Jean Degimbe, during an interview with the author in November 2014 in Brussels. He explained the US government and the international business circles perceived the Commission's directive proposal as "a true revolution".

[645] Richard P. Walker, "The Vredeling Proposal: Cooperation versus Confrontation in European Labor Relations," *International Tax & Business Lawyer* 1 (1983): 191.

2. The wind turns against Social Europe

The end of the social-democratic momentum

Broadly considered, the late 1970s and early 1980s saw a progressive diminishing of social-democratic leadership in Western Europe. During the second half of the 1970s, in part as a response to the austerity policies that they started to adopt but that failed to reduce unemployment, European social democrats started to experience electoral setbacks around Northern and Western Europe. 1976 had already marked a historic setback in Sweden, when the social democrats led by Olof Palme were left out of government for the first time since 1932. In Denmark, *Socialdemocratiet* had to form a short-lived coalition government with the liberals in 1978, and from 1982 they entered the opposition for several years, to the advantage of liberal and conservative forces.[646] In Belgium, the socialists gradually lost electoral ground and were eventually pushed out of government from September 1981 for several years. In the UK, Callaghan's Labour Party struggled to keep things together between the financial crisis that forced the government to accept intervention from the IMF in 1976 and the high wave of strikes that hit the country in 1978-79 – during the so-called 'Winter of Discontent'.

At the same time, the communist movement in Western Europe was beginning its slow decline at the end of the 1970s. In Italy, the political landscape got quite dramatic with the kidnapping and execution in May 1978 of the Christian democratic leader Aldo Moro by the revolutionary communist armed group *Brigate Rosse*. Despite the PCI's attempt to respond with a government of 'national unity', the turn of the 1980s marked the end of the *'compromesso storico'* – the PCI was sent back to the opposition. By then, 'Eurocommunism' was in demise.[647]

By the end of the decade, liberal and conservative forces had taken back some key governments that had been won by labour or social-democratic parties during the late 1960s and early 1970s. In the UK, in 1979, Labour lost power to the

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[646] This general trend affected all contries in the historic fiefdom of European social democracy. Aside from Sweden and Denmark, in Norway the labour party remained in power but its electoral dominance was weakened after 1973; it thus adopted an ever-more moderate line to seduce an increasingly middle-class electorate. Sassoon, *One Hundred Years of Socialism*, 1996, 469–534; Gianni Silei, *Welfare State e Socialdemocrazia: Cultura, Programmi e Realizzazioni in Europa Occidentale Dal 1945 Ad Oggi*, Società e Cultura 21 (Manduria (Taranto) [etc.]: Lacaita, 2000), 338–60.Silei, *Welfare State e Socialdemocrazia*, 2000.

[647] See Bracke, "From the Atlantic to the Urals? Italian and French Communism and the Question of Europe, 1956-1973."

Conservatives led by Margaret Thatcher. Dubbed the "Iron Lady" for her uncompromising politics and leadership style, Thatcher would become the champion of deregulation, flexible labour markets, privatisation of state-owned companies, and reducing the power and influence of the trade unions in Western Europe. In Germany, in 1976, the SPD experienced a drop in support for the first time (45.9 to 42.6%), whereas the Christian-Democrats were on the rise (44.8 to 487%). This opened an SPD-FDP (liberals) coalition with a very small majority in the Bundestag. The downsides of the '*Modell Deutschland'*, the economic model promoted by the SPD during the 1970s, contributed to the erosion of the popular consent that henceforth benefited the SPD and led, in 1982, to the rise to power of the CDU-CSU coalition led by Helmut Kohl.[648] In the Netherlands, Den Uyl's centre-left government was replaced in December 1977 by different coalition governments led by the Christian Democrat Dries Van Agt.

The decline of the social-democratic momentum in Western Europe and the end of the 'golden age' were paralleled with the collapse and renegotiation of the post-war consensus between social-democratic and conservative forces regarding social and economic policies. By the late 1970s, a new ideological offensive was staged by part of the political class and business elites in Western Europe and the West more broadly, with the rise of what came to be called 'neoliberalism'.[649] To restore economic growth, the champions of this new ideology – whose most prominent Western European disciple became Thatcher herself – advocated a retrenchment of State intervention in the economy and pleaded for the dismantling of the welfare state that they charged with suffocating entrepreneurship and competition.[650]

These anti-welfare views gained popularity insofar as economic slowdown was enduring and paving the way for the emergence of the new 'There Is No Alternative' (TINA) rhetoric that presented austerity policies as a necessity.

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[648] Sassoon, *One Hundred Years of Socialism*, 1996, 497–534.

[649] See in particular Philip Mirowski and Dieter Plehwe, eds., *The Road from Mont Pèlerin: The Making of the Neoliberalthought Collective* (Cambridge, Mass: Harvard University Press, 2009); Daniel Stedman Jones, *Masters of the Universe: Hayek, Friedman, and the Birth of Neoliberal Politics* (Princeton: Princeton University Press, 2012).

[650] Indeed, in the UK, Thatcher was the first leader to challenge the consensus between conservatives and labourists that had prevailed since the 1950s around the Keynes + Beveridge recipe regarding economy and welfare – also know as '*Butskellism',* a combination of the names of the then Conservative leader Butler and the Labour leader Gaitskell. For a recent discussion of Thatcher's place in modern British and global history, see in particular Ben Jackson and Robert Saunders, eds., *Making Thatchers Britain* (Cambridge: Cambridge University Press, 2012).

According to these new ideas, the main tasks of governments included fighting inflation (particularly through wage restrictions and high interest rates), reducing public expenses and cutting fiscal costs for enterprises. Although in the late 1970s nothing indicated that this new orthodoxy would impose itself as the next hegemonic ideology, social democrats in Germany, Denmark and the UK had started to adopt 'austerity' policies, prefiguring an important shift of priority for the European Left, which would gradually substitute its commitment to full and better employment with fighting inflation.[651] In this context, welfare state and social policy spending started to progressively lose ground, Keynesian policies were gradually abandoned, and neoliberal analyses gained influence, including in European circles.[652]

The 1970s were also a decade of profound structural economic, political and demographic change that in the long run contributed to weakening the weight of the workers' movement in Western Europe. Increasing relocations, restructurings and rising unemployment – which refilled the labour force reserve – contributed considerably to the decline in trade union strength. At the same time, there was a significant increase in female employment, particularly concentrated in the service sector where socialist ideology was weakest and trade unions least deeply rooted.[653] The power balance between workers and 'capital' was shifting, to the detriment of the former. Unions were increasingly inclined to accept compromises in the name of productivity that should create employment; workers were exhorted to accept more sacrifices in the name of international competition. Workers' organisations started to suffer important defeats, as in the case of Italian workers of the Fiat industry in 1980.[654]

This setback of 'the Left' was not a unanimous trend however, especially when it came to the socialists of 'Southern' Europe. In France, the second half of the 1970s saw a consolidation of electoral victories for the PS In May 1981, after 23 years of right and centre-right-wing governments, the socialists rose to power when

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[651] Sassoon, *One Hundred Years of Socialism*, 1996, 445–68 chapter 16, "The Crisis and the Left: An Overview."

[652] On the gradual convergence of EC member states and of the EC institutions themselves around market-oriented macro-economic policies, see chapter IV on 'Neoliberal Europe' in Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)"; Preece, *Dismantling Social Europe*.

[653] Sassoon, *One Hundred Years of Socialism*, 1996, 433 and following. See the table 15.2, which details for each country the evolution of female employment in general and in the 'working class' jobs in the 1960s, 1970s, 1980s.

[654] On the weakening of trade unions and labour parties and the fragmentation of the working classes, see for instance Hobsbawm, *Age of Extremes*, 1994 chapter 14.

Mitterrand was elected President. The new executive led by Pierre Mauroy included socialist and communist members and swiftly passed a number of important social and economic reforms, such as extensive nationalisations, reduction of working time (from 40 to 39 weekly hours, with the objective of soon reaching 35 hours), introduction of a fifth week of paid holidays, strengthening of workers protection, and the abolition of the death penalty.[655]

In Greece, which joined the EC in 1981, Andreas Papandreou's PASOK won a landslide victory in October 1981 with 48% of the vote, forming the first socialist government in Greece since 1924. In Spain and in Portugal, which both applied to join the EC in 1977, the new democratic regimes saw an assertion of left-wing parties. The PSOE rose to power in 1982 in Spain, and Portugal was led by socialists- and social-democratic-led governments from 1980 onwards. In Italy, after the *compromesso storico* ended, in March 1979 the PSDI and PSI became minority partners in coalition governments. In 1983 Bettino Craxi would become the first socialist Prime Minister in Italian history.

However, at the level of the EC, the short-lived dominance of social-democratic and socialist forces was coming to a close. In June 1979, the first direct elections of the EP marked a setback for the socialist and social-democratic parties of the EC. The SGEP remained the largest group in the assembly, with 113 seats out of 410, but high representation of the European People's Party (EPP, the Christian democrats, 107 seats), the European Democrats (ED, including British and Danish Conservative Parties, 64 seats) and the Liberal and Democratic Group (LD, 40 seats) significantly undermined their position. While they used to hold a third of the seats in the old parliament, in the new directly-elected European Parliament, European socialists only held 27% of the new seats. Yet the Communist and Allies Group won 44 seats, 24 of which belonged to the PCI. Only France and Denmark saw an overall victory of the Left.[656] After its defeat in the 1979 election moreover, the British

[655] On Mitterrand's trajectory, his presidency and the political, social and economic reforms carried out by the successive French governments during that period, see Éric Duhamel, *François Mitterrand: l'unité d'un homme* (Flammarion, 1998); Mathias Bernard, *Les Années Mitterrand : Du Changement Socialiste Au Tournant Libéral* (Éditions Belin, 2015); Serge Berstein, Pierre Milza, and J. L. Bianco, eds., *Les Annees Mitterrand: Les Annees Du Changement (1981-1984)* (Paris: Perrin, 2001); Pierre Favier and Michel Martin-Roland, *La Décennie Mitterrand* (Seuil, 1999).

[656] HAEU, GSPE-066-EN, pp. 246-249: 'Political action programme for the Socialist Group' by Ernest Glinne (fall 1979).

Labour Party readopted a more hostile posture towards the EC and once again began to plead for withdrawal in the following years.[657]

At the XIth Congress of the SPEC in 1980, the party leaders were forced to the conclusion that while they had been leaders or coalition partners of 6 out of 9 governments three years earlier, they were now partaking in only 3 governments, and their proportion of seats had diminished compared to the years before 1979.[658] By 1982, both the UK and West Germany had shifted to the conservative and liberal Right, and France and Greece, led by Andreas Papandreou's PASOK, were then the only two countries dominated by socialists out of the ten member states of the EC.[659] In other words, Council decisions were basically locked for any audacious left-leaning proposal.

The waning of social-democratic momentum in Western Europe took place against the backdrop of important changes in the global economic and political context. The period of transition that opened in the 1970s with the dismantling of the postwar 'order' was coming to a close, giving way to a new world regime that was less and less favourable to European socialists' projects. In the last years of the decade, a series of crises led to deteriorating relations between the US and the Soviet Union. The 'euro-missile' crisis signalled the end of the disarmament strategy; the 1979 Sandinista revolution in Nicaragua gave rise to preoccupation in the US, especially in the growing neoconservative spheres; as did Soviet involvement in conflicts taking place in the Horn of Africa in those years. In December 1979, the

[657] HAEU, GSPE-069-EN, pp. 362-363: PE/GS/253/80, 'Note: Labour Party policy on the EC following the LP Conference in Blackpool 1st October 1980'. The issue of remain/exit was a matter for continuous discussions and tensions among British Labour MEPs during those years. HAEU, GSPE-072-EN-01, pp. 54-58, PE/GS/80/82, 'Why I changed my mind on the Common Market' by Ann Clwyd, *The New Statesman*, 19 February 1982; and pp. 161-164, PE/GS/118/82, 'Why we have not changed our minds on the Common Market', by several Labour MEPs, *The New Statesman*, February 1982. HAEU, GSPE-072-EN-05, pp. 113-119, PE/GS/235/82, 'The Labour Party and the EEC' by Barbara Castle, 27 September 1982.

[658] HAEU, GSPE-068-EN, 'Activities of the Socialist Group at the European Parliament', by Ernest Glinne, March 1980.

[659] Labour participated briefly in government coalitions in Ireland in 1981 and 1983; there was also by then a short-lived centre-left coalition with the D66 party in the Netherlands; and the PSI and PSDI were part of coalition governments dominated by Christian Democrats in Italy throughout the following years. In Italy, a large coalition formed in 1983 would be headed, for the first time in the country's history, by a socialist leader, Bettino Craxi. However Christian Democrats still held most of the ministerial positions. The governments of Holland (led by Ruud Lubbers) and Belgium (led by Wilfried Martens) were aligning on neoliberal policies.

soviet military intervention in Afghanistan put the final touches to the collapse of détente.[660]

At the same time, the 'South' ceased to be the united and challenging front that it had managed to become since the 1960s. In 1979 the Iran-Iraq war and the ensuing 'second oil shock', contrary to the first shock, contributed to breaking unity between producing countries. The gap between developing countries was widened by the resurgence of a more competitive and globalised form of capitalism and some, like the 'Asian Tigers' and South Korea, were embracing economic competition, massive exports and showing record growth rates, whereas others in Africa and South America were crumbling under increased debt and economic strain.[661]

At the beginning of the 1980s, international economic organisations had reestablished their authority and financial markets were increasingly conditioning government's economic policies. A shift towards post-industrialisation was taking place, where a new model of capitalism was emerging – a more competitive, constantly innovative, 'globalising' and more unequal economic order. This new regime was permeated by a new 'neoliberal' culture that preferred individualism, free entrepreneurship, and market discipline to solidarity, consultation and development aid.[662] From January 1981, the new US president Ronald Reagan succeeded Jimmy Carter. His aim was to restore American leadership in the world. If anything, the 'euro-missile' crisis, just like the second 'oil shock' had restored Western unity. Against this background, the European socialists' international strategy based on East-West détente and North-South cooperation appeared more and more quixotic. In 1982, at the Cancun summit, which brought together world leaders as diverse as Reagan and Trudeau, or Thatcher and Mitterrand, marked the end of discussion on the New International Economic Order so ardently promoted by Brandt at the head of the Socialist International.[663]

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[660] Romero, *Storia Della Guerra Fredda*, 266–81.

[661] The new US Federal Reserve monetary policy, led from 1979 by Paul Volcker, contributed to attracting investment in the US through high interest rates, therefore decreasing aid to developing countries and increasing debt explosion in developing countries. The most indebted countries, like Mexico and Argentina, thus found themseves under increasing economic pressure from international organisations like the IMF and the World Bank to carry out 'structural adjustments'. Prashad, *The Darker Nations*, 349–59.

[662] Charles S. Maier, *Among Empires : American Ascendancy and Its Predecessors* (Harvard University Press, 2006).

[663] Ilaria Del Biondo, Lorenzo Mechi, and Francesco Petrini, eds., "Dal Nuovo Ordine Economico Internazionale Al Mercato Unito: Evoluzione e Involuzione Della Strategia Economica Internazionale

By the 1980s, the propulsive strength of the communist model had started to lose momentum. At the end of 1978 the US was establishing diplomatic relations with China, which was opening to the West and to the market economy, abandoning its revolutionary aims and rhetoric. Communist countries were dramatically increasing their imports from western markets just as socialist economies entered stagnation; the new codes and languages of consumer capitalism were spreading around the world and pervading every aspect of life, from clothing to music, sport to food trends; from 1975 onwards news of 're-education' camps and waves of migrants fleeing Vietnam were marring the image of the respected Hanoi regime; while news of extermination and deportations carried out by the Red Khmers in Cambodia was putting the final touches to the delegitimation of communist regimes in the eyes of international public opinion.[664]

The narrow window of opportunity that had opened during the 1970s seemed about to close. In the new emerging landscape, the realisation of a socialist Europe and the adaptation of the EC to a socialist agenda was becoming more uncertain. This was worsened by marked budgetary tensions between EC countries at the turn of the 1980s.

Budget rigour, European Monetary System, and 'Social Europe'

After Helmut Schmidt replaced Brand as Chancellor in 1974, the 'Social Europe' agenda of the German government was significantly toned down. Schmidt was closer to the 'moderate' wing of the party and had less ties with the German Trade Union Confederation (DGB). On social and economic issues, he favoured anti-inflationary and liberalisation policies rather than Keynesian solutions.[665] At the EC level,

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Dei Socialisti Europei," in *Fra Mercato Comune e Globalizzazione: Le Forze Sociali Europee e La Fine Dell'età Dell'oro* (Milano: FrancoAngeli, 2010), 203–27.

[664] Romero, *Storia Della Guerra Fredda*, 260–66.

[665] In any case in the post-war period Germany had been less permeable to Keynesianism than its neighbouring countries, and its European policy remained focused on free-trade priority. For structural and cultural reasons (strong exporting industry, decentralised State, memory of the consequences of the dramatic post-WWI inflation), West Germany had tended since WWII to favour free trade, low inflation (low incomes and prices) and an independent central bank. Moreover, throughout the 1970s and early 1980s, the West German Foreign Affairs and Finance Ministers were members of the classical liberal *Freie Demokratische Partei* (FDP) party. For a useful summary of Germany's European policy, see Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 61–73; for an in-depth analysis see Simon Bulmer, *The Domestic Structure of European Community Policy-Making in West Germany (Routledge Revivals)* (Routledge, 2015), 56–66.

Schmidt was less conciliatory; he was tighter regarding the budget and more critical towards the Commission. By the turn of the 1980s, against the background of economic slowdown and increasing global competition, even the former prominent champions of 'Social Europe' within the SPD had shifted their priorities. Rather tellingly, Brandt's speech at the 1980 SPEC Congress on the theme 'Peace and Europe' did not even mention 'Social Europe' or 'social progress', which in the early 1970s he had repeatedly touted as the pillars of peace and stability in Europe and in the world.[666] After October 1982, the new CDU Chancellor Helmut Kohl assumed his predecessor's attitude regarding EC budget restriction, which was obviously an obstacle for the setting up of more ambitious and redistributive social policy tools at the Community level, or for the 'Social Europe' project in general.[667]

Indeed, with the economic recession that started in the 1970s, and following the 1973 and 1979 oil shocks, the member states showed much less willingness to support redistributive social or economic policies at EC level.[668] Between 1973 and 1984, and in particular after Thatcher came to power in the UK, the conflicts regarding the Community budget and the CAP froze any progress in this direction.

Since it joined the EC in 1973, the UK had been a net contributor to the budget, mainly because the CAP operated to its disadvantage – as the UK produced relatively little and was a mass importer of agricultural products from outside the EEC, therefore having to pay substantial taxes on its imports and receiving few Community subventions.[669] The dispute became particularly acute between Spring 1979 and Spring 1980, when the Council was virtually paralysed by the budget and CAP issues. After the 1979 oil shock, Germany recorded its first budget deficit in some time and started to tighten its contribution. Between 1979 and 1984, negotiations at the Council were particularly tense, especially between the UK,

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[666] HAEU, GSPE-133, 'Europe, Factor for Peace. Introductory statement by Willy Brandt', 3 March 1980.

[667] Both Schmidt and Kohl however were subject to high pressures from the agricultural lobbies and supported high prices for CAP products. See also Hans Stark, *Helmut Kohl, l'Allemagne et l'Europe : La Politique d'intégration Européenne de La République Fédérale 1982-1998* (L'Harmattan, 2004).

[668] Brief summary on second oil shock.

[669] On the creation, the functioning and the social, economic and political objectives of the CAP, see for instance Ludlow, "The Making of the CAP"; Ann-Christina L Knudsen, *Farmers on Welfare: The Making of Europe's Common Agricultural Policy* (Ithaca: Cornell University Press, 2009).

Germany and France – the latter being in favour of maintaining the basic structures of the EC budget and for a moderate reform of the CAP.[670]

This conflict made the creation of new redistributive or costly policies at EC-level difficult. The creation and evolution of the FEDER (*Fonds Européen de Développement Economique et Régional*) from 1975 onwards was a notable but limited exception to that trend. According to Jean-François Drevet, the regional development policy grew from 5 to 7% of the total Community budget between 1974 and 1984, which remained proportionally small compared to the EC budget and to national budgets.[671] The CAP – the Community's main redistributional policy – was absorbing more than two-thirds of the budget and was increasingly criticised at the time for generating expensive and wasteful surplus production, for becoming excessively costly, and for its social inadequacy as it favoured large farms to the detriment of small and medium ones. It therefore, as Warlouzet notes, contributed to discrediting the EC's institutional system, which appeared increasingly incapable of adequately managing a redistributive policy. This institutional 'handicap' constituted a brake to the development of a redistributive social Europe.[672]

This was worsened by the fact that social policy decisions were subject to the rule of unanimity vote at the Council. Aside from freezing solidarity and redistributive policies, the budgetary tightness of the EC member states after the economic slowdown of the 1970s impacted the implementation of the 'European social policy', beginning with the SAP that had been adopted in 1974.

Therefore, despite repeated exhortation from the Commission and the EP, the implementation of the SAP soon proved slower and more difficult than expected. Against the background of mounting economic difficulties and changing mindsets, decisions lagged at the Council.[673] In the years following its adoption, the SAP

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[670] On the CAP and the budget dispute more generally, see also Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 122–37.

[671] Initially, the creation of the FEDER was in great pat due to the pressure of the UK government during its accession negotiations and was decided during the 1972 Paris Summit. Its main beneficiaries were the UK, Ireland, Italy and later Greece, whereas Germany and France were much more reluctant. Jean-François Drevet, *Histoire de La Politique Régionale de l'Union Européenne* (Belin, 2008), 57; see also Helen Wallace, "Distributional Politics: Dividing up the Community Cake" and "The Establishment of the Regional Development Fund", in Helen (Helen S.) Wallace, William Wallace, and Carole Webb, *Policy-Making in the European Community*, Second edition. (Wiley, 1983); Pierre Tilly, "Regional Policy: a tangible expression of European solidarity", in Bussière et al., *The European Commission, 1973-86*.

[672] Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 141.

[673] The Commission proposals were often less ambitious than expected in the period before 1974 (for

measures most easily realised were the ones that were complementary to the completion of the common market – the 'market-friendly' policies. However, compared to the previous decades, the 1970s and early 1980s saw a decisive development of Community social *acquis*. The main achievements took place in the fields of equal opportunities for men and women and health and safety at work, whereas the other areas proved much more challenging.

Indeed regarding equal opportunities, three important directives were adopted between 1975 and 1978: on equal pay, access to employment, and social security.[674] The Commission – pushed by a transnational network of feminist lobbies – was particularly proactive in the field.[675] Despite serious reticence from member states that feared the national cost of such legislation, the European Court of Justice's jurisprudence in the following years contributed to entrenching the EC's progressive role.[676] In 1982, the Commission launched its first action programme for equal

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instance using recommendations rather than directives), and the recommendations or directives adopted by the Council were generally watered-down versions of the Commission and EP opinions. Moreover, the Council took significant delay in adopting some crucial SAP measures, such as the directive on safeguarding workers' rights in the event of mergers between undertakings. CARDOC, PE0-AP-RP/ASOC.1973-A0-0161/750001EN-0001, European Parliament, 'Resolution on the report by the Commission of the European Communities on the development of the social situation in the Community in 1974', 20 October 1975 (adopted on 24 September 1975). Each year, the Commission released a statement and issued a report summing up the 'social situation' in the Community, summing up social problems and actions that had been carried out. These yearly assessments, then discussed by the EP, served to formulate social priorities and goals.

[674] Directive 75/111 adopted by the Council on 10 February 1975 (JO L 75 19/2/75) on the application of equal pay between men and women; directive 67/207 adopted on 9 February 1976 (JO L 39 14/2/76) on equal treatment between men and women regarding access to employment, vocational training, promotion, and working conditions; directive 79/7 adopted on 19 December 1978 (JO L 6 10/01/1979) on equal treatment in access to social security (which did not come into effect until 1984).

[675] Di Sarcina, *L'Europa Delle Donne*. In 1973, the UK accession contributed to support this effort, since the country had already implemented equal opportunities legislation. Pierre Tilly and Sylvain Schirmann, "Free movement of workers, social rights and social affairs", in Bussière et al., *The European Commission, 1973-86*, 352–67. See also Quintin, Odile, 'L'égalité entre hommes et femmes: une réalisation spécifique de la politique sociale communautaire', *Revue du Marché Commun*, No 288, 1985, pp. 309–318.

[676] In particular, the Court's 1975 ruling in the Defrenne case was a milestone in the implementation of EC law on equal opportunities between men and women. Case 43/75, Gabrielle Defrenne v Société anonyme belge de navigation aérienne Sabena (Defrenne II), ECR [1976] I-455, Judgment of the Court of 8 April 1976. Although the tardy implementation of Article 119 of the Rome treaty met some reluctance concerning competitiveness in sectors that employed women in large proportions and concerning social security costs, in the long run the measures facilitated the growing entry of women in the labour force, and prevented distortions of competition on the EC labour market. Indeed, the *Defrenne II*, para 8 states: "The aim of Article 119 is to avoid a situation in which undertakings established in States which have actually implemented the principle of equal pay suffer a competitive disadvantage in intra- Community competition as compared with undertakings established in States which have not yet eliminated discrimination against women workers as regards pay." Gillian More, "The principle of equal treatment: From market unifier to fundamental right?", in P. P. (Paul P.) Craig and G. (Gráinne) De Búrca, *The Evolution of EU Law*, Second edition. (Oxford University Press, 2011), 517–53.

opportunities (1982-88). Progressively, the strategy of integrating the equal opportunity dimension in all common policies – the so-called 'gender mainstreaming' – made its way in EC policy-making.[677] Regarding health and safety at work, the Council adopted six directives between 1974 and 1983 and the first 'action programme to improve health and security at work' in 1978.[678] In June 1974, moreover, the Council decided to create a Standing Committee on security, hygiene and health protection at work that included representatives of trade unions, employers and governments, to assist the Commission's work.

In 1975 and 1976, in accordance with the decisions of the SAP, two new agencies were created: the European Foundation for the Improvement of Living and Working Conditions (Eurofound) and the European Centre for the Development of Vocational Training (Cedefop) respectively. However their activity, at least during their first decade of existence, seems to have had little impact.[679] As to the ESF, it failed to become the backbone of a new redistributive social-policy-oriented Community – as the most enthusiastic champions of European social policy had hoped in the early 1970s. Against the backdrop of growing de-industrialisation, its scope was extended after the 1971, 1977 and 1983 reforms, which progressively opened intervention to new categories of beneficiaries: workers leaving agriculture, workers in the shipbuilding sector, workers in the textile and clothing sectors, workers most hit by unemployment (such as women, handicapped, migrants, youths and the elderly). However, despite some attempts by the Commission and EP, and recurrent efforts by the Socialist Group, the Fund's budget remained limited (it did not exceed 5% of Community budget in the 1970s) and unable to cope with rising

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[677] On the emergence of the "gender mainstreaming" approach in EC/EU institutions, see Di Sarcina, *L'Europa Delle Donne*.

[678] The Council adopted directives on signals on the workplace (1977), on the protection of workers exposed to vinyl chloride monomer (1978), a framework-directive on the protection of workers exposed to chemical, physical and biological agents (1980), a directive on the protection of workers exposed to plumber (1980) and on major accidents in some industrial activities (1982), and on the protection of workers from the risks of exposure to asbestos (1983). These directives met with some opposition from employers and some member states' governments, but benefited from societal pressure and the support of Henk Vredeling, who became Commissioner for Social Affairs in 1977. Tilly and Schirmann, "Free Movement of Workers, Social Rights and Social Affairs"; Degimbe, *La Politique Sociale Européenne*, 109–10.

[679] According to Elisabeth Palmero's brief summary in Pierre Tilly and Sylvain Schirmann, "Free movement of workers, social rights and social affairs", in Bussière et al., *The European Commission, 1973-86*, 151–67. The activities and development of these agencies are scarcely researched. On Cedefop, Antonio Varsori, "Vocational Education and Training in European Social Policy from Its Origins to Cedefop," *European Journal: Vocational Training*, January 2004, https://eric.ed.gov/?id=EJ734147.

unemployment.[680] The fund continued to be mainly a too to support structural economic and labour transformations.[681]

Several aspects of the SAP proved particularly difficult to implement, coordination of member states' social security regimes and migration policy especially. The first aspect caused insuperable disagreements between member states and national stakeholders, first among which were the workers' and employers' organisations. The Commission started by establishing the so-called 'European Social Budget' (a yearly overview of social regimes and social expenses in each member state) but it did not lead to any tangible results.[682] Regarding migration policy, despite some timid improvement on access to social security for migrant workers and their families for instance, cooperation between the member states proved very difficult.[683] As Emmanuel Comte showed, during the 1970s, against rising unemployment (that especially hit industrial sectors where foreign workers were particularly numerous), and rising economic and social tensions, EC member states started to raise growing barriers to both intra- and extra-EC migration.[684]

The same difficulties arose concerning environmental policy, which had been a significant part of the 'social Europe' project promoted by Brandt's Germany at the beginning of the decade, and of the SAP itself, and where no real progress was made at Community level until the second half of the 1980s. The member states' governments were usually very reticent in adopting environmental regulations – which could have harmed their industrial performance – unless their own national

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[680] IISH, CSPEC-8, 'The work of the SGEP: Report to the Xth Congress of the CSPEC' by Ludwig Fellermaier, January 1979. The SGEP regularly tabled amendments to increase the budget of social and regional funds and to make it more efficient, in particular for intervention in relation to youth employment, women, certain sectors and regions, etc. The 1977 review of the fund, where the EP largely followed the group demand, led to increased effectiveness and higher rates of assistance for the most underdeveloped regions.

[681] Jeffrey J. Anderson, "Structural Funds and the Social Dimension of EU Policy: Springboard or Stumbling Block?," in *European Social Policy: Between Fragmentation and Integration*, ed. Stephan Leibfried and Paul Pierson (Washington, D.C: Brookings Institution, 1995), 123–58; Leboutte, "Cinquante années d'action sociale en Europe."

[682] The 'social budget' publication was released by the Commission until the late 1970s; it was later replaced by the MISSOC (Mutual Information System on Social Protection) still in use today and published twice a year.

[683] For instance in 1981, after years of negotiations, regulations 1408/71 and 574/72 were extended to the self-employed and to their family members by Council Regulation 1390/81 of 15 May 1981 (*Official Journal,* L 143, 29 May 1981, p. 1).

[684] Comte, "La Formation Du Régime Européen de Migration, de 1947 à 1992," 338. France was particularly reluctant, for instance, to pay family benefits to intra-EC workers'whose family members remained in their country of origin. See also the interview with former official of the Commission Annette Bosscher, 13 August 2010, in "The European Commission 1973-1986. Memories of an institution", http://archives.eui.eu/en/isaar/467, last visited 10 June 2017.

norms were higher than the other countries'.[685]

Notwithstanding the delays and difficulties, some notable progress was made in one area of the SAP that was particularly contentious, common labour law. Several directives were adopted by the EC during the second half of the 1970s that extended workers' protection against dismissal: a 1975 directive on collective dismissal; a 1977 directive on protection of workers in case of relocations; and a 1980 directive on the protection of workers' rights in case of employer insolvency.[686]

All in all however, the implementation of the SAP during the 1970s fell short of what had been envisioned during its conception. Moreover, the SAP was soon considered inadequate to tackle the new central socio-economic problem of the Community, growing unemployment.[687] The first SAP was initially to be succeeded by a second SAP at the end of 1976, but by then this commitment was ruled out by the member states and was not even taken into consideration.[688] The new 'crisis' context did not only affect the members states' will to implement far-reaching and redistributive social measures at EC level, it also seriously inhibited the attempt to institute social dialogue and the will to increase workers' participation at Community

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[685] Jan-Henrik Meyer, "L'européanisation de La Politique Environnementale Dans Les Années 1970," *Vingtième Siècle*, no. 113 (2012): 117–26; Christian Van de Velde, "Environmental and consumer protection", in Bussière et al., *The European Commission, 1973-86*, 389.

[686] Directive 75/129 adopted on 17 February 1975 (*JO* L 48 22 February 1975) on the approximation of the legislation of member states regarding collective dismissal that obliges employers to consult trade unions prior to any collective dismissal and to inform public authorities (the directive was modified by directive 92/56 on 24 June 1992 (*JO* L 245 26 August 1992)); directive 77/187 on 14 February 1977 (*JO* L 61 5 March 1977) on the protection of workers' rights in case of relocation of undertaking, enterprise or part of enterprise (it protects workers in particular regarding their dismissal compensations and retirement pensions); directive 80/987 on 20 October 1980 (*JO* L 66 11 September 1987) on the approximation of Member States' legislation on the protection of workers' rights in case of employers insolvency (regarding financial compensations owed to workers).

[687] Unemployment was not purely a social issue. The uncoordinated reactions of member states that sought to restore employment (and growth) had led to growing monetary fluctuations which harmed the functioning of the Common Market and the realisation of the EMU – since some countries, such as Germany and Denmark, had favoured anti-inflation policies and had pursued strongly deflationary monetary policies, even at the cost of a sharp increase in unemployment. Others like Italy and Ireland tried to safeguard employment at the cost of higher rates of inflation. Unemployment therefore started to be seen by the political elites as a Community problem that could not be dealt with at the national level individually but should be tackled at EC level. 'I must stress it is my personal belief that the Social Action Programme is no longer relevant to present conditions. It was drawn up in early 1973, and the world changed in October of that year forever. Since the world has changed, it is important, if our social policy is to be relevant, that we reassess it. There is no point in deluding ourselves that it can remain relevant in a situation that has changed so radically'. Michael O'Leary, President-in-Office of the Council for Social Affairs, 'European Parliament, Sitting of Thursday 19 June 1975, Council statement on the social situation in the Community and the outcome of the Council meeting of 17 June 1975', in CARDOC PE0-AP-DE/1975-DE19750619-029900EN-9407040, p.171.

[688] UK National Archives, FCO 30/3253 EEC social policy; CAB 193/176 EEC social policy: action programme (1976). In 1976, when preparing its rotating presidency of the EC Council (January-June 1977), the UK ruled out the possibility of preparing proposals for a second SAP.

level.[689]

The SAP promise to institutionalise social dialogue at Community level never materialised. Despite repeated efforts from the ETUC to propose a broad reorganisation of European social dialogue – in order to truly associate social partners with the EC's social *and* economic decision-making at various levels, no progress was made in that direction until the mid-1980s.[690] Moreover, the rising economic turmoil that characterised post-1973 Western Europe worsened the already critical social conflict and the tensions between workers' and employers' organisations. Gobin has thoroughly documented both the proposals of the ETUC for closer association with EC decision-making (persistently rejected), and the growing tensions between the ETUC and the main European employers' organisation – the UNICE – between 1974 and 1984.[691] These tensions appeared particularly strongly and with greater frequency within the framework of the Tripartite Conferences (TCs), organised from 1974 to 1978.[692]

During those years, European employer representatives and the UNICE started claiming more systematically that wage containment and decreased intervention of public authorities in economic management were key to resuming growth.[693] European trade unions and the ETUC, on the contrary, were strongly promoting alternative socio-economic responses. Much like the socialist parties, ETUC defended

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[689] An important pillar of the SAP should have been increased 'participation of workers' in economic and social decisions within the Community. This increased participation was understood both at the Community level – institutionalising social partners' involvement in the EC's social and economic policy-making – and at the local level – through the implementation of the (disputed) principle of economic democratisation, vaguely understood as workers' participation in the management of enterprises. It had been envisaged by the architects of the SAP and Social Europe project as one of the backbones of EC social policy. This will be explained in detail in the next section of the chapter.

[690] In early 1974, the ETUC had revised its plans for participation in Community decisions and was now advocating a broad reorganisation of European social dialogue on four different levels: at the highest level with tripartite meetings including Commission/Council (both Labour and Economic Ministers)/social partners within the SCE and the Tripartite Conferences; a second level of consultation within the Commission at collegial level; a third level of permanent consultation within the Commission DGs; and a fourth level that would join all existing EC consultative committees under the supervision of the ESC. The ETUC also advocated a reform of the ESC in order to turn this body into a more representative and efficient institution with binding power over the Community's decision-making process. Gobin, "Consultation et Concertation Sociales à l'échelle de La Communauté Economique Européenne," 463–64.

[691] On the ETUC's attempts to be more closely involved in EC policy and decision-making after 1974 and on the failure of European social dialogue in the Tripartite Conferences between 1974 and 1978, see Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 461–519.

[692] Five yearly TCs took place in those years, which included employers' and workers' organisations, Commission and Council members. This will be developed further in the next section.

[693] This was already visible in 1974 UNICE documents. HAEU, EN-381, 'Résolution de l'UNICE en vue de la conference au sommet', 27 November 1974.

what Gobin called a 'post-Keynesian' alternative model of development geared towards full employment and based on a significant reduction of working time without salary cuts, increased intervention of public authorities into economic management (and coordination at EC level), selective policies of public and private investment, control of prices and capital movements, and the implementation of regional policies throughout the Community, among other measures.[694] These projects were firmly rejected by employers' circles and – increasingly – by the political spheres. This mounting conflict in turn impacted on European social dialogue, and on the implementation of a 'Social Europe'.

Another important development impeding 'Social Europe' was the progress of EC member states on the road to monetary integration. In 1978, two social democrats were the main instigators of new European Monetary System (EMS): the German Chancellor Schmidt himself and British Labour leader Roy Jenkins, who had been nominated president of the European Commission a year earlier. The aim of the EMS was to restore monetary and economic stability in the Community, and to anchor European currencies to the Deutschmark, which had emerged during the 1970s as the strongest currency in Europe and one of the strongest in the world. The French-German tandem embodied by Giscard and Schmidt played a major role in shaping the new system and leading the negotiations. On 6-7 July 1978 at their Council in Bremen, European leaders officially launched the project.[695]

Thirteen months of hard negotiations led, in March 1979, to the creation of the new EMS, which was geared in the direction of fiscal prudence and budgetary austerity. Its application required the adoption of anti-inflationary policies – public spending restriction, wage containment, and high interest rates – especially in the countries with the weakest currencies, and led industries to restructure production, often through mass dismissals and modernisation of production lines.[696] These

[694] This alternative development project was presented in detail in the working paper of the European Trade Union Institute (ETUI, founded in 1978) entitled 'Beyond Keynes' ("Au-dela de Keynes, une économie de participation", Brussels, May 1979). Gobin described the paper as well as the progressive elaboration of the project in the ETUC's Congress resolutions during those years in Corinne Gobin, "La Confédération européenne des syndicats: Son Programme au fil de ses Congrès," *Le courrier hebdomadaire du CRISP* 1367 (1992): 1–86.

[695] Peter Ludlow, *The Making of the European Monetary System: A Case Studyof the Politics of the European Community*, Butterworths European Studies (London: Butterworths, 1982).

[696] Mourlon-Druol, *A Europe Made of Money*. It also increased public debt in weakest economies. Francesco Petrini, "'La Politica Antinflazionistica è La Politica Europeistica e Viceversa'. L'Italia e Il Sistema Monetario Europeo," accessed September 28, 2017,

policies were diametrically opposed to the reflationary policies that European trade unions and socialists had been demanding for years to restore full employment, which included increased public spending and increased control over public and private investments.

European socialists welcomed the creation of the EMS; they had long supported the idea of monetary union. However, they insisted in several occasions that their support:

> [S]hould not be seen as unconditional approval. The start that is to be made in the monetary policy field can succeed only if it is supplemented by a number of national and Community policies leading to a convergence of the national economies. (…) The [Socialist] Group's spokesman said in this context: 'If Europe fails to give priority to the question of jobs, if it fails to make a substantial contribution to solving the unemployment problem, it would run the risk of being thought of as a useless shell, and it is only a short step from there to seeing Europe as positively harmful. Europe is beset with intolerable inequalities between regions, sectors, and even between individuals. Specific measures of either a structural or a short-term economic nature must be taken to reduce these inequalities. This is the aim of the Regional and Social Funds, which must have access to far more resources and whose operating rules must be reformed. The coherence, and hence the effectiveness, of these various sectoral and regional, national and Community, economic and social policies are dependent upon the gradual implementation of *an overall plan* which should be an expression of a common design, a common will and a common discipline on the part of our countries, all our citizens and the various economic entities.[697]

A few years later, 'Social Europe' would still become an important aspect of the new French socialist government's EC policy after 1981, and even more so (albeit in different terms) after 1984. Mitterrand's 'European engagement' is subject to debate in the literature. Historians have for some time pointed to a relative disinterest on the part of the PS towards the EC until 1983-4, in part because of a resolute focus on internal reforms.[698] There has been a tendency to overstate what Bino Olivi has famously described as Mitterrand's 'European turn' in 1983-4.[699] According to this

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https://www.academia.edu/32094416/_La_politica_antinflazionistica_%C3%A8_la_politica_europeistica_e_viceversa_._L_Italia_e_il_Sistema_Monetario_Europeo.

[697] HAEU, GSPE-065-EN-B, pp.174-201, 'The Work of the Socialist Group in the EP - Report of the Xth Congress of the CSPEC, Brussels 10-12 January 1979', here p. 181.

[698] For instance Sylvain Kahn, "La place de la construction européenne dans la conquête puis la conservation du pouvoir par les socialistes français, 1966-1984," *Les cahiers européens de Sciences Po*, no. 1 (2012).

[699] Bino Olivi's influential monograph, *L'Europe difficile*, analysed the French government's decision to remain in the EMS in March 1983 as the starting point of Miterrand's 'European metamorphosis' in Olivi, *L'Europe Difficile*, 280. André Chandernagor, French minister of European Affairs (1981-1983), was the first to deliver this interpretation, when he described that decision as the moment when

narrative, this 'turn' was closely linked to the French government's decision to remain in the EMS and, in March 1983, to shift its socio-economic policy following a near financial crisis, henceforth abandoning its initial reflationary policy and imposing monetary and budgetary discipline. Recently however, scholars like Georges Saunier have shown the gradual nature of the change of the French government's European position, and have highlighted the initial plans for social and economic reforms at the EC level.[700]

Immediately after its election in 1981, the new French executive attempted to make proposals to transfer some of the ingredients of the *Programme Commun* to the Community level. As early as 11 June 1981, during a 'Joint' Council meeting of Ecofin and Social Affairs ministers, Jacques Delors called for an EC-wide concerted reflation plan, while Jean Auroux asked for radical measures against unemployment, in particular for a reduction of working time. On 29 June, at the European Council in Luxembourg, Mitterrand himself then called for the creation of a 'European social space' based on coordinated working time reduction, social dialogue, and the adoption of a European '*plan de relance économique*'.[701] On 13 October 1981, the French government issued a '*Mémorandum sur la relance européenne*' aimed at

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'Mitterrand truly becomes European'. A similar analysis is found in Gérard Bossuat, "Les socialistes français et l'unité européenne", in Bitsch, *Le Couple France-Allemagne et Les Institutions Européennes*, pp.325-351. Bossuat's view is that Mitterrand's decision to keep France within the EMS in March 1983 and to engage into monetary and budgetary discipline – therefore abandoning significant parts of the economic programme on which he was elected – corresponded to a new European commitment that led Mitterrand to relaunch the process of economic, monetary and political union together with Helmut Kohl in Fontainebleau in 1984.

[700] Saunier argued that the gradual shift in the French government's European policy was largely prepared and shaped by Mitterrand's entourage, a team of around sixty men and women in charge of the Community files. Particularly influent was Pierre Morel, counselor at the Elysée, who was deeply commited europeanist, very attentive to the Social Europe theme, and was the inventor of the expression '*espace social européen*' and '*Eurêka*'. Mitterrand's project for 'Europe' before his election was gradually replaced by a quite different project. Before 1981, the PS's broad objective was to reform the EC in order to make it compatible with its socio-economic and political programme. However, gradually over the following years, the French government shifted its position regarding EC budget, monetary policies, the CAP, etc. Georges Saunier, "François Mitterrand, un projet socialiste pour l'Europe ? L'équipe européenne de François Mitterrand, 1981-1984", in Saunier, "François Mitterrand, Un Projet Socialiste Pour l'Europe ? L'équipe Européenne de François Mitterrand, 1981-1984," 431–48. See also Georges Saunier, "De la Communauté à l'Union européenne. L'action européenne de François Mitterrand (1981-1995)," *Matériaux pour l'histoire de notre temps* 1, no. 101–102 (2011): 20–28.

[701] Bulletin des Communautés Européennes, 6/1981. On Mitterrand's first European policy, see also Stefania Farnesi, "Francois Mitterrand l'Européen de France: La Francia e La Costruzione Europea 1981-1984" (Università degli studi di Firenze, 1998); Elisabeth Du Réau, "L'engagement Européen," in *Les Années Mitterrand : Les Années Du Changement, 1981-1984* (Paris: Perrin, 2001), 282–94.

establishing 'social growth' in Europe.[702] Although historians have tended (perhaps rightly) to downplay its relevance, the memorandum actually encapsulated an attempt by French socialists to complement its socialist reform programme at Community level.[703] A priority focus of the French proposal was to create long-term employment thanks to the implementation of the so-called 'European social space':

> Dans l'esprit du gouvernement français, la notion d'"espace social européen" correspond à trois objectifs principaux :
> - elle doit permettre de placer l'emploi au centre de la politique sociale communautaire par un développement de la coopération et un aménagement des politiques communautaires;
> - elle vise à intensifier le dialogue social au plan communautaire comme à celui des différents Etats membres, à l'intérieur et à l'extérieur de l'entreprise;
> - elle doit améliorer la coopération et la concertation en matière de protection sociale.[704]

Concretely, the document did not contain new proposals in terms of social policies and instruments. Rather, it advocated a more efficient and employment-friendly use of the already existing schemes, like the 'social budget', regulation on security and health at work, gender equality at work, of and funds, in particular the ESF. The most ambitious points of the French socialists' initiative were its pleas for working time reduction and 'readjusting';[705] its insistence on restoring dialogue with the social partners;[706] and its proposal to increase Community investment in order to create long-term 'competitive' jobs. Indeed, on this third point, although the French

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[702] "Mémorandum du gouvernement français sur la relance européenne", 13 Octobre 1981. The text is consultable at http://www.cvce.eu/content/publication/2002/10/16/a8377c45-380f-4679-8d17-62d42f4734d5/publishable_fr.pdf last visited on 10 June 2017.

[703] Warlouzet, for instance, underlines the divergences between the different French ministeries during the preparation of the Memorandum, and considers that the text resulting in a compromise lacked ambition (the memorandum according to Warlouzet was drafted by the pro-euroean and moderate faction of the PS). Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 58–61; 96 and chapter 2.

[704] "Mémorandum du gouvernement français sur la relance européenne", 13 Octobre 1981, *op. cit.* p.5.

[705] "Les modalités de mise en oeuvre de la résolution du Conseil en date du 22 novembre 1979 concernant l'aménagement du temps de travail (retraite flexible, travail temporaire, travail à temps partiel, réduction de la semaine de travail) devront être rapidement précisées.", p. 6.

[706] The document evokes the organisation of tripartite conferences on employment and working time readjusting; increased 'participation' of and 'concertation' with social partners in every possible Community issue, with better functioning of TCs, of the Standing Committee on Employment and of other tripartite bodies, and creation of new paritary bodies for some sectors; it also suggests giving greater consideration to the ETUC and it supported the directive proposal on information and consultation of workers in multinational firms ('Vredling directive'), the adoption of the 'social balance sheet 'in all entreprises, and consultation of workers regarding the introduction of new technologies.

government was very careful to reassure its European partners that its *relance* plan would not entail greater budget participation, it insisted on the need to use the EC's borrowing facilities in order to introduce a Community policy of 'competitive investment' (understood as geared towards scientific and technical progress).[707] These three key points constituted the backbone of the French socialists' attempts to point to an EC-coordinated response to the 'crisis' of the 1970s – a rather moderate proposal that already reflected the loss of confidence among European socialists about the realisation of their 'Social Europe' project.[708]

The late 1970s and early 1980s – a moment of high tension for the EC – marked the last battle for the redistributive, planning-oriented and regulatory project of 'social Europe' envisioned since the early 1970s.

3. The Left's lost battle for a social Europe

The failure of the 'Social Europe' project as it had been progressively developed since the late 1960s was not only due to the rising unwillingness of EC governments and a changing global context; it was also in large part due to the European socialists' failure to push it through. In his analysis, Warlouzet put forward the assumption that one of the main reasons the 'Social Europe' project failed was the weakness and fragmentation of the 'social movement' – left-wing parties and unions – at EC level.[709] As for Gobin, she assumed that the European trade union's alternative project was defeated in part because they lacked – at EC level – a true 'sister party' capable of backing their claims.[710] These assumptions need to be both examined in more detail and to some extent challenged.

[707] In the following years, the French government made efforts to convince other member states to establish plans of '*aide à la modernisation des entreprises*' in order to finance the modernisation of industries, as already planned in the French internal economic programme, through Community loans or *ad hoc* funding, such as the NIC ('*Nouvel instrument Communautaire*').

[708] As will be explained later in this chapter, the other member states of the EC were reluctant towards the French proposals (no agreement on common economic revival and social issues, and endless negotiations on NIC). Despite potential support from countries such as Greece – who also presented a memorandum on social Europe but whose weight in the negotiations was minimal – the French socialist government eventually had to reconsider its European proposals and even to completely rethink its internal socialist programme in order to conform to EC exigencies.

[709] Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 141–47.

[710] Gobin, "Consultation et Concertation Sociales à l'échelle de La Communauté Economique Européenne."

In actuality, throughout the 1970s and early 1980s, and especially during the second half of the 1970s, there was an attempt at rapprochement between socialist and social-democratic parties and trade unions at EC level. The project of proposing and implementing an EC-wide coordinated response to the economic and social challenges of the time, was, as has been developed in previous chapters, high on their agenda. This project was meant to be an alternative to the 'neoliberal' ideas that were progressively gaining ground and that took precedence in Western Europe from the 1980s onwards. The 'Eurosocialist' alternative, geared towards ensuring full employment, relied on a set of proposals that included two crucial concepts: working time reduction (work sharing) and economic democratisation. After a failed attempt to reach a 'Eurocorporatist' agreement between social partners, governments and EC institutions, two particularly emblematic battles were fought and lost at the EC level: for working time reduction and economic democratisation.

The failure of 'Eurocorporatism'

In the early 1970s, the attempt to institutionalise EC-level inter-professional social dialogue had ended in a (relative) failure.[711] From 1974 onwards, against the new 'crisis' context, a broad political consensus had emerged among European leaders and 'social partners' on the need to establish a new 'socio-economic pact' that would allow for the restoration of growth, employment, and social peace. The episode of 'Eurocorporatism' that emerged in the 1970s was the most far-reaching attempt to seal such a pact at EC level between trade unions, employers, Commission and Council members – first just the Social Affairs Ministers and then, from 1975 on, also the EcoFin Ministers. Between 1974 and 1978 indeed, five such Tripartite Conferences (TCs) took place.

[711] In 1970, as mentioned in previous chapters, the first Tripartite Conference had taken place in Luxembourg and led to the creation of a tripartite Standing Committee on Employment (SCE). By the spring of 1972, however, the SCE had already encountered major difficulties, as conflicts arose over the distribution of seats between communist and non-communist trade unions; participation of union leaders was weak; the Council refused to recognise the binding status of the decisions taken by the Committee; and so on. Moreover, the SCE only brought together the Employment and Social Affairs ministers, whereas trade unions demanded participation of social partners in the other policy fields. The next Tripartite Conference – which was supposed to take place in Luxembourg in June 1973 and participate in the shaping of the SAP – never took place as once again it raised conflicts linked to disagreements on the distribution of seats between the different organisations. Maria Eleonora Guasconi, 'Paving the way for a European social dialogue' in *Journal of European Integration History*, 9/1, 2003, pp. 9-36; see also Corinne Gobin, *Consultation et concertation sociales*, op. Cit., pp. 390-407 and 439-449.

The idea of reaching a 'new social contract' thanks to new corporatist mediations between government, employers and unions was rather prevalent in Western Europe at that time. It was seen by some – including several social-democratic governments – as a way of protecting employment, fighting inflation and restoring growth through consensus instead of conflict. Throughout Europe, these forms of mediation flourished during the 1970s, for instance in West Germany and the UK, mainly with a view to establishing voluntary incomes policies.[712] Some countries – like Sweden, Norway and Austria above all, but also Denmark, Holland, and Germany – were particularly suited to this corporatist model. Within the EC, those countries were often the ones that proved most resilient to the economic recession; there was therefore a conviction that 'neocorporatism' was the way forward.[713] These corporatist agreements were often promoted together with the popular solution of 'industrial democracy', which can be summarised as a corporatist involvement of trade unions in the single firm. Throughout the 1970s, schemes, projects and, in some instances, laws advanced ways of increasing workers' rights, "whether by appointing or electing worker-directors, or by providing workers with access to information, or by establishing procedures for dealing with dismissals and working conditions".[714]

As mentioned earlier, the diverging responses of member states to the growing unemployment and inflation problem had a negative impact on the common market and the EMS. Moreover, there was a perception that the absence of an EC response to

[712] The 'new social contract' advocated by Labour in the UK led to an agreement on wage-containment with the TUC in June 1976 (4,5% ceiling on salary and pay increases for one year). On incomes policy in the British economy in the 1970s, see Robin E. J. Chater, Andrew Dean, and R. F. Elliott, eds., *Incomes Policy* (Oxford : New York: Clarendon Press; Oxford University Press, 1981).

[713] These kinds of corporatist agreements were easier to reach in countries where the union movement was rather centralised and ideologically united, where the employers' organisation was strong, and where the government was capable of negotiating with the unions. Although they were highly interventionist economic strategies, the incomes policy solutions – basically aimed at containing wages and prices – rested partly on the assumption that high real wages were the cause of unemployment (the 'high wages theory'). Hence, it was not acceptable for all left-wing parties and trade unions in Europe – as evidenced by the high disparities of views within the tripartite conferences. Sassoon, *One Hundred Years of Socialism*, 1996, 454–55.

[714] Ibid., 455. The 1970 Italian *Statuto dei Lavoratori*, the German Co-Determination Law of 1976, the Bullock Report of January 1977 in Britain, the French Auroux Law of 1982, the 'democratic factory councils' *(Bedriftsforsamlinger)* instituted in 1973 in Norway by an Act of the Storting, the 1976 Joint Consultation Act in Sweden, and the already mentioned EC Commission's Fifth Directive on Company Law, which endorsed the German model of industrial democracy, were all examples of this tendency to favour industrial democratisation during the 1970s.

unemployment could undermine the Community's image in public opinion.[715] Ultimately, reasserting European social and employment policies and coordinating socio-economic policies therefore became a question of safeguarding the European integration project itself. EC policy makers including Commission officials, members of the Council and MEPs agreed that social policy measures could only offer a partial response to the challenge of unemployment; the new context required "a coordinated effort extending over the whole range of social, economic and financial policy" at EC level.[716]

The idea of bringing 'neocorporatism' to the EC level thus gained credence among political elites. In brief, the basic tradeoff of the 'new European social contract' was that workers would agree to contain wage demands; employers would contain price increases and accept some formula of 'industrial democratisation'; and governments would guarantee that these pacts were respected and ensure a fair distribution of incomes through fiscal, social, budgetary, and other economic means. This would allow – in theory – for the restoration of profits, growth, and employment throughout the Community. This solution was advocated strongly by the SPD as early as 1974.[717] German, Dutch and Danish members of the EP – social democrats and Christian democrats alike – who had long insisted on the establishment of a Community incomes policy, also supported it.[718]

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[715] MEP Luigi Marras, Italy, Communist and Allies, asserted for instance that the unemployment situation was deteriorating to a level that "may lead to the disintegration of the Community" and that it was the new challenge on which public opinion would judge the action of the EC. AHPE, PE0-AP-DE/1975-DE19750924-049900EN-9316365, 'Sitting of 24 September 1974 – Report of the Commission on the social situation in the Community in 1974'.

[716] Statement by Patrick Hillery, Vice-President of the Commission for Social Affairs, AHPE, PE0-AP-DE/1976_DE19760406-049900EN, 'Sitting of 6 April 1976: Statement on behalf of the Commission on the social situation in 1975; Open Question on the Community action against unemployment'.

[717] HAEU, GSPE-057-FR-B, 'Discours de W. Brandt devant le Mouvement Européen: La France, l'Allemange et l'Europe', Paris,19 Novembre 1974, pp. 217-232. Brandt called for 'sacrifices' and 'moderation' from all, with a fair distribution of advantages and charges. The idea of seeling a pact between Community, governments and social partners to manage the crisis at EC level asserted by Schmidt at the Hague socialist party leaders summit in November 1974.

[718] Members of the EP – Christian democrats ahead – strongly backed the idea of an income policy since the 1960s, and decided to ask authorisation to draft an own-initiative report on the topic in 1970 already. The Dutch Christian-democrat deputies Jaap Boersma and Franciscus van der Gun drafted a report for the Social Affairs Committee. AHPE, PE0-AP-RP/ASOC.1967-A0-0050/720010, 'Rapport sur certains problèmes posés par la définition d'une politique coordonnée des salaires et des revenus', 6 June 1972. A resolution was adopted on 13 June by the EP: AHPE, PE0-AP-RP/ASOC.1967-A0-0050/720001, 'Résolution sur certains problèmes posés par la définition d'une politique coordonnée des salaires et des revenus'. The incomes policy project exposed in the report aimed at avoiding differentiated inflation rates within the common market, by 'coordinating' at the Community level not only wages and other incomes, but also costs and prices in general. The idea put forward by the resolution and the report constituted a very broad understanding of a common incomes policy, which

The ETUC – which since its 1974 enlargement to the Christian trade unions and the Italian 'social-communist' union CGIL represented the majority of trade union members in Western Europe with 37 million affiliates – very much supported the institutionalisation of TCs on social *and* economic issues as a way of finally becoming truly involved in the EC's political-economy-making '*au sommet*'. However, the 16 December 1974 TC 'Conference on perspectives for the European social policy' only included Social Affairs and Labour ministers, as governments (especially France) were not willing to address economic issues. From 1975 onwards, following persistent demands from the trade unions, the yearly TCs included both Social Affairs and Ecofin Ministers and focused on the fundamental issues of how to overcome the crisis, growing unemployment, inflation and recession in Western Europe. From then on they also included the British TUC, who put an end to their EC boycott.

Between 1975 and 1978, the TCs occasioned increasing confrontation between the employers' and unions' views. The employers' organisations – mainly the UNICE – believed that high wages were the main reason for inflation and demanded wage containment and greater flexibility of the labour market as a condition to restoring growth and therefore employment. They demanded the institution of a free-market economy, less intervention of public authorities into economic management; they rejected governments' involvement in price controls, but invoked policies of public aid for corporate investment and reduced social and fiscal charges; they requested drastic reduction of public expenses but pleaded for increased subventions to the private sector.[719]

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enclosed whole ranges of related measures, such as fighting speculation, prohibiting usurer renting, fighting unfair fiscal privileges, ensuring free competition and consumer protection. An important aspect of this policy was the asset-building policy envisaged, which included encouraging workers' saving deposits, home-saving plans, wage-investment plans, profit-sharing schemes, bonds and insurance purchasing, and so on. Asset-building could be stimulated in many different ways by member States, for instance by granting savings premiums, interest relief, and tax reduction. The June 1972 report suggested the adoption of an action programme for the establishment of a European incomes policy; the aim of which would be twofold. On one hand, it should assure economic stability by combining high economic growth with high employment rates and price stability – with a view, also, to guarantee external trade stability. On the other hand, it should help implementing "deliberately" a more equitable distribution of resources between people, sectors and regions in the Community. The Commission endorsed the project. The idea of a common incomes policy had been part of the debates on a 'European social policy' and had been on the Community agenda since the early 1970s.

[719] On the episode of the tripartite conferences between 1974 and 1978, see Gobin, "Consultation et Concertation Sociales à l'échelle de La Communauté Economique Européenne," 461–519; Ilaria Del Biondo, Lorenzo Mechi, and Francesco Petrini, eds., "Prove Di Dialogo Sociale: La Cee e Le

As for the ETUC, whose views were very similar to European socialists' – its demands were diametrically opposed to the employers'. It increasingly insisted on the need to focus on creating employment by orienting investment towards certain sectors, regions, projects and employment-friendly technological progress, with the explicit aim of improving public welfare and living conditions. Generally, it demanded increased intervention of public authorities into economic management through economic planning and investment in major public works and collective services (housing, health, environment, education), public control of private investment, and extension of the public sector (nationalisations). Regarding employment, above all, it demanded a general reduction of working time in order to 'redistribute' work – through reduced weekly working hours, more paid holidays, longer mandatory schooling, anticipated retirement. It demanded in a broad way increased workers' protection and increased involvement of trade unions in policy-making regarding employment, aid to enterprises and management of financial institutions. Regarding incomes, it demanded a fairer redistribution of national income through direct fiscal and price control, upward harmonisation of unemployment and pension benefits, and generalisation of the 'mobile scale' regarding pensions. It also pleaded for radical change in macro-economic policy at global level, inducing a new international division of labour and a broad redistribution of world resources, supported by increased cooperation aid to developing countries. At the European/EC level, ETUC demanded implementation of fiscal, social and monetary regulation of multinational companies, control of financial speculation, EC-wide economic planning, creation of a European zone of stable exchange rates, and a common monetary policy to reduce interest rates.

However European trade unions, even within the ETUC, were divided regarding the project of a 'new social contract'. Those in favour of moderate social dialogue – especially the German DGB trade union – opposed those whose attitudes were less consensual and sought radical change in the type of growth pursued, based on a reduction in working hours, controls on prices and capital movements, and the maintenance of a strong public sector.[720] Once again, for structural reasons, the

Conferenze Tripartite Degli Anni Settanta," in *Fra Mercato Comune e Globalizzazione: Le Forze Sociali Europee e La Fine Dell'età Dell'oro* (Milano: FrancoAngeli, 2010), 179–202.

[720] As explained in previous chapters, questions such as incomes policy or workers 'participation' (self-management/co-management, etc.) arose vivid discord between the different trade unions. See also Georges Debunne, *Les Syndicats Et l'Europe: Passé Et Devenir* (Bruxelles: Editions Labor, 1987).

German social-democratic approach dominated during the years of the Eurocorporatist attempt. Heinz Oskar Vetter, president of the ETUC from 1974 to 1979, was also a member of the SPD and president of the German DGB since 1969. He strongly favoured the reduction of working time and participation of workers in enterprises according to the German model – as the counterparts of wage moderation. This compromising 'social pact' was also defended in the Commission by its vice-president (since 1975) Wilhelm Haferkamp, also member of the SPD, former leader of the DGB and former member of the executive committee of the SSE.[721] Therefore, although the ETUC opposed the Commision's presumption that it could impose wage containment, its leading spheres were in favour of reaching compromise.

The Commission, which showed keenness in encouraging an 'alliance' between all social partners and governments at EC level, tried to make proposals that could enable a broad compromise. Gobin has argued however, that a shift was perceptible in the Commission's attitude, which between 1969 and 1973 had been closer to the trade unions' positions, and from 1975 onwards became more receptive to the employers' views.[722] In short, the Commission's documents increasingly insisted on the need to contain wages and public expenses and to restore profits, and envisaged greater participation of workers' representatives in economic and social decisions only as a tradeoff against wage moderation – which was presented as inevitable.[723] The change

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[721] Wilhem Haferkamp was a longtime member of the European Commission (from 1967 to 1985). In 1976, he was Vice-President of the Ortoli Commission and Commissionner for Economic, Finance, Credit and Investment. He had a previous trade-union carreer in Germany as secretary then leader of the German Trade Union Confederation (DGB) for economic affairs between 1957 and 1967. As vice-President of the Commission, he strongly supported a solution of collective sacrifice, where workers' wages and consumption would be restricted to favour private investment, in exchange for guarantees for workers' participation in industry according to the German model, both regarding decisions and regarding ownership: "For if we fail in the task of finding reasonable and socially balanced solutions, social conflicts may easily arise to the advantage of undemocratic radical forces". HAEU, GSPE-060-EN, 'Statement by Wilhelm Haferkamp on economic and monetary questions to the SGEP', 11 December 1975, pp. 80-85; here p.85.

[722] This reflected, according to Gobin, the broad change in hegemonic socio-economic thinking within the political class. Gobin, "Consultation et Concertation Sociales à l'échelle de La Communauté Economique Européenne," 477. See also on the shift of West European governments in the mid-1970s closer towards the point of views of economic and financial spheres Boyer, *La Flexibilité Du Travail En Europe*.

[723] This trend was also visible in the Commission's document for the Tripartite: "Une strategie communautaire de plein emploi et de stabilite", SEC (76) 1400 du 31 March 1976. A similar view was in the fourth programme of medium-term economic policy (1976-80) discussed at the first meeting of the Economic Policy Committee, which met on 7 Octobre 1976. The ETUC was increasingly disappointed by the Commission and governments' economic policy orientations, which more and more evidently favoured fighting inflation rather than fighting unemployment, through demand-restriction measures – thus replacing demand-sided policies with supply-sided policies, to use the economic jargon. To the ETUC, Western European governments were turning unemployment into an

in the composition of the Commission in 1977 – especially with the British Labourist Roy Jenkins as new President and the Dutch Henk Vredeling as new Social Affairs Commissioner who was very close to the socialist and trade unions circles – initially seemed to modify this trend.[724] However, it did not lead to an improved consensus between the participants of the TCs.

The 1976 Conference occasioned particular preparation and expectation among its participants; the Commission released two preparatory documents with the aim of enabling a concrete agreement on a European 'social pact'.[725] These aroused strong disappointment and criticism from the ETUC, and intense discussions within the EP during the Spring of 1976.[726] Besides a broad consensus on the importance of TCs to improve cooperation between social partners and Community institutions, there was much disagreement in the EP regarding the Commission's proposals.[727] Left-wing MEPs in particular – in the Socialist Group and the Communist and Allies – were critical of the Commission's position, which was judged too biased towards the interests of business. In brief, they held that the Commission was placing too much emphasis on restoring profits as the solution to the problem of employment; they disavowed the 'theorem' famously coined by Helmut Schmidt at the time according to which 'today's profits will be tomorrow's investments, which will create the jobs for the day after tomorrow'. In contrast, in its declaration prior to the 1976

economic tool to keep wages low and restore profits. Gobin, "Consultation et Concertation Sociales à l'échelle de La Communauté Economique Européenne," 486–87.

[724] Roy Jenkins had announced at the time of his nomination a working programme that was very close to the socialist and trade union spheres' positions. See Eliane Vogel-Polsky and Jean Vogel, *L'Europe Sociale 1993 : Illusion, Alibi Ou Réalité?* (Editions de l'Université de Bruxelles, 1991), 118. Moreover, the British Labour PM James Callaghan held the presidency of the Council during the first semester of 1977.

[725] IISH, ETUC-1905, 'A Community strategy for full employment and stability' (Doc. SEC(76) 1400) and 'Restoring full employment and stability in the Community' (Doc. SEC(76) 2003), which promoted the adoption of common objectives at the TC including the restoration of full-employment by 1980; annual growth target of 4.5-5% for 1976-80; gradual reduction of inflation to 4 or 5% a year by 1980. To reach these objectives, the Commission advocated increased state aids to public and private sectors (with a focus on depressed areas), restraining consumption, awarding employment premiums and tax reduction to enterprises, greater fiscal and budgetary discipline from public authorities, and implementation of a strict competition policy. Trade unions were encouraged to limit their demands for wage increase, while business was invited to limit price increases. In short, the documents of the Commission exhorted States and social partners to "self-discipline", which was judged vital to restrain unemployment and inflation. The documents identified the pressures imposed on national products by social partners and the public sector as the main causes of the economic recession. These measures were to be coordinated at Community level but mostly implemented nationally.

[726] The preparation of the TCs generally occasioned many preparative documents and declarations by EC institutions (including the Commission, the EP and the the Economic and Social Committee), the ETUC, but also the political groups (for instance the Socialist Group).

[727] AHPE, PE0 AP DE/1976 DE19760617-01 9900, 'Sitting of Thursday, 17 June 1976 – Preparation of the Tripartite Conference – Guidelines for a Community strategy for full employment'.

TC, the SGEP fully supported and reaffirmed the solutions put forward by the ETUC, and supported "*les revendications de la CES [the ETUC] pour une démocratisation de l'économie (...) dès la phase préparatoire, les travailleurs et leurs syndicats doivent nécessairement être en mesure d'influer, à égalité de droits avec les actionnaires, sur les projets et les décisions des entreprises*".[728] The report adopted by the Social Affairs Committee of the EP, which was drafted by the Belgian Socialist Ernest Glinne, encouraged closer attention to the position adopted by the ETUC.[729]

As for Christian democrats, liberals and progressive democrats, they agreed with the Commission (and the UNICE) that favouring sustained growth, restoring profits and granting employment premiums would be the solution to the crisis and would counter unemployment.[730] Unable to define a common approach to the problem of unemployment, the resolution adopted by the EP was forced to acknowledge that there was wide disagreement on the causes of the crisis and means to overcome it. It did not endorse, however, the Commission's approach and insisted that although stability and growth were necessary, "priority must be given to employment", and to the establishment of a common employment policy. In part on the insistence of the SGEP, the EP made a series of proposals that were quite watered down in comparison to the far reaching objectives put forward by the MEPs in the previous years, when members of the Social Affairs Committee had supported the

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[728] HAEU, GSPE-061-FR-A, PE/GS/126/76, 'Déclaration relative à la Conférence tripartite', 10 juin 1976, pp. 11-12; here p. 12. Short-term measures advocated by the SGEP to overcome the crisis and restore employment included: special programmes for the unemployed, elderly, women and young people; public works plans instead of granting subventions and tax reductions to the private sector; rejecting the solution of reducing budget deficit by reducing public investments; organising regular encounters between workers and employers from each sector at European level. Long-term measures included: public funding conditional on the realisation of public works and creation of long-term employment; rejecting economic policy that operates redistribution of incomes to the benefit of enterprises by reducing consumption power and public spending; preserving the autonomy of social partners; need for a balanced regional and structural policy against concentration of people and industries in certain regions of Community.

[729] The EP's Committee on Social Affairs and Employment adopted a report on the preparation of the Tripartite Conference that was very sympathetic to the views expressed in the declaration of the ETUC regarding the Conference, while it was very critical towards the Commission's proposal. See AHPE,, PE0-AP-RP/ASOC.1976-A0-0160/760010EN 'Report on: - the Commission's guidelines for a Community strategy for full employment and stability in preparation for the forthcoming Tripartite Conference; the document entitled 'Restoring full-employment and stability in the Community', submitted in preparation of the Tripartite conference, 24 June 1976; the motion for a resolution tabled by Mrs Goutmann and Mr Marras on the crisis in Europe and the Tripartite Conference', 15 June 1976, Rapporteur Ernest Glinne.

[730] AHPE, PE0 AP DE/1976 DE19760617-01 9900, 'Sitting of Thursday, 17 June 1976 – Preparation of the Tripartite Conference – Guidelines for a Community strategy for full employment'.

creation of a European unemployment fund.[731] It also advocated "real democratic control by both the authorities and workers' representatives of incentives (premiums) given to private enterprise to promote employment as part of its social function; democratic ownership and management of undertakings".[732]

The 1976 Conference led to the adoption of a common declaration where all participants committed to making full employment their priority, and adopted common targets and guidelines. [733] However, the thorniest issues, such as incomes policy and 'economic democratisation' were only vaguely invoked.[734] Furthermore, the declaration did not constitute a solid 'socio-economic pact' but a non-binding declaration of intent, the implementation of which would depend entirely on the goodwill of the participants. Indeed, it was never truly respected. During the following

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[731] These included greater cooperation within Community institutions, with social partners and with national governements; favouring sectoral dialogue; progress towards monetary and economic union and regional policy; coordinated fight against tax evasion; improvement in comparability of statistical information, and coordination between national employment and vocational guidance services; increased resources to European funds and greater coordination between them; special measures for hard-hit social groups; harmonisation of decisions for the reduction of working time. AHPE, PE0-AP-RP/ASOC.1976-A0-0160/760001EN, 'Resolution on: the guidelines of the Commission of the European Communities for a Community strategy for full employment and stability in preparation for the forthcoming Tripartite Conference; the document entitled 'Restoring full employment and stability in the Community' submitted in preparation for the Tripartite Conference to be held on 24 June 1976; the motion for a resolution tabled by Mrs. Goutmann and Mr. Marras on the crisis in Europe and the Tripartite Conference', 12 July 1976.

[732] *Ibid.* This was a point advocated by the SGEP in its 'Déclaration relative à la Conférence tripartite', along with special unemployment measures for the categories of people most affected by unemployment, the institutionalisation of European sectoral dialogue, democratisation of the economy, and the upholding of public spending. HAEU, GSPE-061-FR-A, PE/GS/126/76, 'Déclaration relative à la Conférence tripartite', 10 juin 1976, pp. 11-12

[733] The common declaration advocated coordinated efforts by EC Governments, employers' and workers' organisations, and by the Community institutions to reach the following targets: full employment by 1980; average annual growth rate of approximately 5% over 1976-1980 (through supply- and demand-sided policies); inflation rate gradually reduced to 4-5% by 1980; and a medium-term reduction of public deficits. It also recognised the 'social partners'' right to chair in the Economic Policy Committee, which was, among other things, in charge of adopting the Community's 'medium-term economic policy', and included representatives of the member States and high representatives of the Central Banks. The Economic Policy Committee was thus becoming the third tripartite body where the socio-economic policy-makink of the EC took place 'at the top', together with the Tripartite Conferences and the Standing Committee on Employment. Commission of the European Communities, 'Final Declaration of the Conference on the restoration of full employment and stability in the Community', 24 June 1974, in AHUE, Fonds Emile Noel, EN-1916, pp.83-86.

[734] The final declaration stated vaguely: "both Governments and employers and labour will take appropriate measures to promote workers' interests and their participation in the life of undertakings." European Commission, 'Final Declaration of the Conference on the restoration of full employment and stability in the Community', *op. cit.* However, a confidential note of the Commission to the Council on the outcome of the Conference emphasised its determination to work on the implementation of a broader agreement between Community, governments and social partners concerning the fundamental economic and social questions (such as incomes and asset formation policy, cogestion). Commission of the EC, Confidential Communication from the Commission to the Council concerning the economic and social situation in the Community', 6 July 1976, in AHUE, Fond Emile Noel, EN-1916, pp. 74-86.

TCs, similar attempts were made to reach 'Eurocorporatist' agreements, which never led to any concrete results.

Importantly, the episode of the TCs highlighted that not all participants accepted the 'pact' so enthusiastically supported by the Commission and by some social-democratic parties, first among which was the SPD. In fact, in 1976, although the ETUC adopted the declaration in the name of all its members, the trade unions were very divided on the question of wage containment.[735] These divisions were echoed in later discussions within the EP, which attested to mixed impressions on the achievement of the Tripartite Conference. Several left-wing MEPs, communists and socialists alike, were increasingly opposed to the Council and Commission's approach. For instance, French socialist MEP Georges Carpentier, asserted: "I cannot accept this call for moderation in workers' demand. If sacrifices are needed, it is not the workers who must make them but the leaders of finance and industry". On behalf of the Communist and Allies Group, MEP Marie-Thérèse Goutmann accused the Commission of ignoring the opposition of a large part of the workers' representatives in order to hide the fact that the social consensus could not be achieved. She carried on by accusing the Commission, the Council of Ministers and the employers of using the tripartite conferences to obtain unilateral acceptance of sacrifices by the workers.[736]

This was in line with obvious growing resentment of trade unions towards this kind of 'neocorporatist' agreements around that time. In 1978 in the UK, the TUC decided to reject the Labour government's intention to impose a fourth round of incomes policy. In October of that year the Conference of the Labour Party in Blackpool adopted by a large majority a resolution that, rejected incomes policy; pleaded for a return to free collective bargaining; for reflation of the economy; reversal of recent cuts in public expenditure; planned import controls favouring developing countries; compulsory planning agreements with the top hundred

[735] Although the ETUC voted in favour of the final Declaration of the Tripartite Conference, as a matter of fact not all its members accepted the document. In particular, the French CGT left the Chamber, rejected the declaration and called other unions to reject the compromise; it criticised the German unions for making too many concessions in favour of the employers in view of restoring profits. Belgian unions were hostile too, and none of the important UK TUC leaders were present at the Conference. CFDT, CGIL, and FGDB also expressed their opposition to the overall terms of the pact proposed by the Commission. The Commission toned down these conflicts and presented the declaration as an achievement towards a social compromise. IISH, ETUC-1906, 'Conférence économique et sociale du 21 juin 1976'.

[736] MEP Marie-Thérèse Goutman, France, PCF, in European Parliament, 'Sitting of Thursday, 8 July 1976, Oral question with debate: Tripartite conference of 24 June 1976', *op. cit,* pp.87-96.

manufacturing companies; intensive capital investment for British manufacturing industry; reduction of working hours and working time (including at EEC level), etc.[737]

During the following years, the UNICE increasingly opposed any solution based on intervention by public authorities into economic management and rejected discussing working time reduction more and more categorically, an issue that was crucial for the socialist and social-democratic forces.[738] The governments represented by their Economics and Social Affairs ministers were unwilling to take any real binding political commitments, either within the TCs or within other tripartite bodies at the top – such as the SCE. At the end of each TC, the conclusions presented by the ministers merely listed the conflict points that resulted from the discussions, and invited the Commission to continue working on those points and the social partners to continue their negotiations; they failed to point to any concrete binding decisions or commitments on general social and economic orientations, and especially not on working time reduction. The 1978 TC therefore ended in clear conflict. As the Liberal (FPD) German Minister of Economics Otto Graf Lambsdorff, a free-market advocate, declared that he could not accept the terms of the final release, the General Secretary of the ETUC, the Luxemburgish Mathias Hinterscheid, declared that the ETUC would not take part in TCs anymore unless their role and nature were seriously rethought. Despite some attempts to reform its functioning, as the Council persisted in refusing to turn the TC conclusions into binding decisions, the 1979 Tripartite Conference never took place.[739]

The 1978 TC was indeed the last meeting of this type until the 1990s, and marked both the failure of the attempt to institutionalise 'Eurocorporatism' and a deterioration of the relations between European trade unions and the EC

[737] HAEU, GSPE-065-EN-B, pp. 40-45, 'Report on the Labour Party Conference in Blackpool, 2-7 October 1978'.
[738] In May 1980, UNICE refused to take part in the West European tripartite Conference on employment that the ETUC had worked hard to have organised by the Council of Europe. The Conference was therefore cancelled. Gobin, "Consultation et Concertation Sociales à l'échelle de La Communauté Economique Européenne," 504; 516-517.Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 504 and pp. 516-517.
[739] According to Degimbe, see HISTCOM.2, *Histoire interne de la Commission européenne 1973-1986,* Entretien avec Jean Degimbe par Pierre Tilly, 13 July 2010. The pro-business Free Democratic Party (FDP) in coalition with the SPD during the 1970s, changed direction in the early 1980s. Lambsdorff led the FDP to adopt the market-oriented 'Kiel Theses' in 1977; it rejected the Keynesian emphasis on consumer demand, and proposed to reduce social welfare spending, and try to introduce policies to stimulate production and facilitate jobs. The party therefore switched allegiance to the CDU. See Frank B. Tipton, *A History of Modern Germany Since 1815* (A&C Black, 2003), 596–99.

institutions.[740] However, this failed experience encouraged a shift in the ETUC's attitude towards the EC. During the following years, for the first time they adopted a strategy that Gobin called "activist trade unionism" ("*syndicalisme d'action*"). This strategy favoured direct struggle, including European-wide strike movements; the exercise of concrete workers' pressure (as opposed to the former strategy of multi-level representation to European institutions including Commission, European Council summits, OECD, or EFTA); aimed to influence governments and employers positions at both national and Community level; and to involve all its members more directly into actions in support of common objectives, such as the reduction of working time. In November 1979, for instance, the ETUC organised a week of protest actions coinciding with the European Council in Dublin – including demonstrations, press conferences, gatherings in large cities, and meetings with governments and employers' organisations. After 1979 it organised demonstrations more and more systematically in parallel with European Council meetings, or to promote its manifestoes. In 1983 it launched a wide European campaign for employment.[741]

As the 'Eurocorporatist' attempt got bogged down, the main ingredients of the European Left's 'Social Europe' project at the time were pushed through other channels at EC institutional- and member state-level. In particular, it made efforts to push through a broad strategy to fight unemployment, focusing on the reduction of working time on the one hand, and industrial democratisation and the control of multinational corporations on the other hand.

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[740] According to Gobin, relations between the ETUC and Jenkins' Commission worsened markedly throughout 1979 and became almost inexistant in 1980. After Goston Thorn took over the Presidency of the Commission in 1981, which according to Gobin followed the neoliberal tendency, relations further worsened. Gobin, "Consultation et Concertation Sociales à l'échelle de La Communauté Economique Européenne," 515.

[741] ETUC had organised for the first time a demonstration with delegations of European workers from the nine countries in Brussels on 14 November 1975, when it presented its document entitled 'Emploi assuré - Revenu garanti'. On 5 April 1978, it organised a 'European trade union action day' to display the of its members for its proposals regarding the fight against unemployment and working time reduction, and to influence the Copenhagen Council of the following days. In June 1980 during the Venice Council the ETUC gathered a demonstration of 5,000 militants. Another demonstration took place in March 1981 during the Maastricht Council; in June 1981 for the Luxembourg Council the ETUC organised a demonstration and presented its Manifesto entitled 'Pour l'emploi et le redressement économique'; in February 1983 it organised a festival for the tenth anniversary of its creation where 5,000 to 6,000 militants gathered for a demonstration; in March 1983 it organised a trade union summit during the Brussels Council; in June 1983 it organised, under pressure from de DGB, a European demonstration where 80 000 trade union members on the theme of an economic alternative for employment. In April 1982, the nomination as president of the ETUC of the Belgian FGTB trade unionist Georges Debunne, who embodied this type of more activist trade unionism, confirmed this orientation. Ibid., 516–519 and part three; Debunne, *Les Syndicats et l'Europe*, 141–58.

The defeat on working time reduction and unemployment

Working time reduction was a crucial demand of the European trade unions and left-wing parties during the second half of the 1970s. It was considered to be one of the keys to restoring employment and socio-economic stability in Western Europe. After 1977 especially, the project of reaching an agreement at EC level on working time reduction was seriously considered, and strongly supported by the Commissioner for Social Affairs and Employment Henk Vredeling, and some of his former colleagues within the EP.[742]

The trade unions of Western European countries had long supported the reduction of working time. During the 1970s the objective of 36 or 35 weekly working hours and generally 5 or 6 weeks paid holidays were progressively adopted by most unions. It was deemed to be the only logical adaptation of labour to the ongoing reduction of available work due to the massive introduction of new technologies into all sectors of activity. Consequently, most socialist and social-democratic parties of Western Europe adopted the objective of working time reduction as one of their major policy proposals.[743] At the EC level, a Community measure on working time reduction became one of the ETUC's main struggles from the mid-1970s until the mid-1980s, together with the broad coordinated reorientation of macro-economic policy pursued by Western European countries, as detailed above. Aside from the Commission, the SGEP increasingly positioned itself as a chief supporter of the ETUC's demands for working time reduction, and from 1979 tried with special determination to put forward a common European policy to restore employment, centred on that demand among others.

The ETUC's claim for working time reduction was put forward particularly fervently during the tripartite conferences, where it repeatedly invoked a new macro-economic policy geared to restoring employment founded on the principle of work sharing. In April 1976, during its second statutory Congress in London, the ETUC adopted a long resolution on inflation and unemployment, in which it announced the

[742] Reduction of working time had long been a demand of European trade unions. It it was already part of SAP in 1974, and the Council had adopted a recommendation regarding weekly work time (40 hours) and generalization of 4-weeks paid holidays in 1975 (recommendation 75/45 on 22 July 1975 (*JO* L 199 30/7/75).

[743] Featherstone, *Socialist Parties and European Integration*, 1988. It is worth noting however that the question of working time reduction was not unanimous among Western European trade unions, as the 35 hours objective was opposed for instance by the Northern trade unions.

launching of a European campaign to obtain a general reduction of working time *without wage reduction,* aimed at sharing out employment and incomes, which it presented as fundamental social progress. In April 1977, its executive committee adopted a declaration on 'European and World action for economic reflation in which it explained that the reduction was to be realised by different measures according to national characteristics – through the adoption of different cocktails including the reduction of weekly working hours (preferably to 35), increased number of weeks of paid holiday (preferably 6), longer schooling period (at least until 16), and earlier retirement (preferably at the age of 60). The ETUC also advocated limiting overtime work and introducing a fifth shift for continuous shiftwork.

The Commission, under the pressure of trade unions, progressively adopted the contentious idea from 1976. At the end of the June 1977 TC, the President of the Council demanded that all participants start considering in detail their position regarding the main points of conflict that arose during the discussions – which included the economic and social consequences of the aforementioned different working time redistribution possibilities – to enable decisions to be taken at the next TC. Shortly thereafter, the June 1977 European Council meeting in London confirmed this new intention. Informal meetings were to take place during the summer between the Commission and the 'social partners', and the SCE would decide on a working plan on the matter from 14 September onwards. The Commission was charged with preparing initial working documents on four main themes: working time distribution; creation of jobs in the tertiary sector; international situation and necessary change in investment and employment models; job-creating investments.[744] However, the declaration of the next European Council, held in Copenhagen on 7-8 April 1978, was very cautious regarding the reduction of working time, and asserted that further examination of the question was necessary to determine whether it would actually help solve the serious difficulties of unemployment.[745]

When the discussions came up in the SCE on 21 March 1978, based on the working documents drafted by the Commission, discontent and reservations were

[744] The four documents thereafter drafted by the Commission were: -'La r'partition du travail : Objectifs et effets', 'Rôle du secteur tertiaire (y compris public) dans la réalisation de la croissance, de la stabilit' et du plein emploi'; 'L'environnement international, la croissance et les changements sectoriels', and 'Investissement et emploi'. The first two documents were discussed within the SCE and the other two within the Committee for Economic Policy in the spring 1978.

[745] Gobin, "Consultation et Concertation Sociales à l'échelle de La Communauté Economique Européenne," 409–501.

patent. Although some of the Commission's proposals were welcomed by the ETUC, in particular the project to draft a directive on a better distribution of work ('work-sharing'), some were judged to be based on socio-economical analyses that were too close to the employers' views (especially the views that market mechanisms, as opposed to planned industrial and commercial intervention, could bring the necessary structural changes to the economy). ETUC considered that member states were not ready to take real political commitments within the SCE and the Economic Policy Committee.

As mentioned earlier, the November 1978 Tripartite Conference, which was supposed to consider the question of job redistribution, ended in a deadlock. This was chiefly caused by deep disagreement on the very question of working time. The employers' organisations responded very abruptly to the Commission's intent to include working time reduction in a European 'social pact'. For the trade unions however, it had by then become a *sine qua non* condition for any agreement with employers and authorities at EC level. Its President Vetter even directly addressed employers' representatives in his speech and invoked the negotiation between unions and employers of a European framework-agreement on a gradual reduction of working time.[746] The proposal went unheeded.

The failure of the 'Eurocorporatist' attempt, nevertheless, did not mark the end of the struggle on the reduction of working time. For one, the trade unions and the ETUC continued to campaign stronger than ever for its implementation at local, national, EC and international levels. It was the ETUC's pet project during its more 'direct action' phase and until the mid-1980s. Moreover, the SGEP increasingly took over the institutional battle on this explosive issue. The first direct election of the EP represented a drastic change for all aspects of the organisation of the EP in general, including for the SGEP. In 1979-80 the Group entered a phase of relative confusion, and tried to reorganise and optimise its work.[747] This was even more important considering the relative electoral setback that the SGEP had endured with the first election.

[746] Ibid., 503–10.
[747] HAEU, GSPE-069-EN, PE/GS/201/80, 'Note: Paper on the position of the Socialist Group in the EP', by Rudi Arndt, 25 August 1980, pp. 151-159; PE/GS/137/80, 'Programme and activities of the SG in the EP (proposals from the Italian members of the Group)', 5 June 1980, pp. 18-21; PE/GS/143/80, 'Contribution to the discussion on the operation of the SGEP by the Dutch members', 5 June 1980, pp. 177-178; PE/GS/208/80, 'Updating the Group's strategy', by Ernest Glinne, 25 August 1980, pp.30-33.

On 21 September 1979, shortly after the EP elections and after a proposal put forward by the then French socialist MEP Jacques Delors, the SGEP decided to set up an *ad hoc* working group on employment, where socialist MEPs meant "to compare our readings of the situation and our proposals and then to launch an offensive in realistic terms at European level". The working party as conceived by Delors would be a tool to work out a common socialist approach to employment policy at Community level. It would first organise consultation with the trade unions, then study the structure of unemployment and increasingly precarious employment in each country (temping, short-term contracts, subcontracting, rising forced mobility of young labour, etc.), and finally would formulate concrete proposals. Its main objective would be the recognition of the right to work for all (making it impossible for employers to take advantage of the "reserve army of unemployed" to get cheap labour and evade their social obligations defined by law and collective agreements) which should be implemented through work 'sharing' (reduction of working hours to enable the creation of new jobs, while ensuring that productivity and competitiveness were maintained and even increased).[748]

As Delors saw it, the working party would collect data from each country and would study schemes that have already been carried out to reduce working hours including both the measures adopted and their economic and social consequences. This was important because each debate in the EP regarding job redistribution had always been countered by the Right with the argument that there was no evidence that it would have actual positive effects on employment rates, and that it might have disruptive effects on the economy.[749] It was clear that work-sharing programmes should be encouraged at Community level, but the SGEP still needed to figure out if a framework directive on the reduction of working time was preferable (allowing for some differentiated application according to the situation in each country, industry and undertaking), or if sectorial negotiations between the social partners at European level should be preferred. This way, the SGEP would be able to take on a more 'active' political stance on the question of unemployment. Delors noted: "Some might say that it is not the SG's job to go so far in formulating an operational policy. This is

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[748] HAEU, GSPE-066-EN, 'Note regarding the setting up of an ad hoc working party on questions relating to employment', by Jacques Delors, August 1979, pp.304-307.

[749] See for instance the discussions regarding work sharing during the debate on the organisation of a tripartite conference in May 1979. AHPE, PE0-AP-DE/1979-DE19790508-089900EN, 'Sitting of Tuesday 8 May 1979. Tripartite Conference – Council of Ministers of Social Affairs on 15 May 1979'.

not my view. The situations are so diverse, the employers so hostile and the governments so hesitant, that only with realistic and concrete proposals will it be possible to go beyond mere slogans and create such a movement".[750]

Concomitantly, the GSPE was already preparing a resolution on employment drafted by the Italian PSI deputy Mario Dido, which requested the Commission and Council to commit some new efforts to reaching an initial agreement with the social partners on the reduction of weekly working hours to 35 or 36, to be achieved in stages and with due regard to the situation of each sector of the economy, throughout the Community.[751]

The first meeting of the working party took place on 18-19 October 1979 and examined the Delors and Dido documents as well as a document of the CSPEC on the same theme, entitled 'Employment in Europe', and the ETUC's action programme on employment; it included the SG members of the Committee on Economic and Monetary Affairs and the Committee on Social Affairs and Employment. Delors was appointed as its chairman.[752] Thereafter, the working party on employment (WPoE) worked on devising a joint position, prepared a resolution and demanded a major debate on the employment situation in the Community to be held during a plenary sitting on 15 January 1980.[753]

An oral question to the Commission and a draft motion for a resolution presented by the Socialists in January called on the Commission and Council to implement new macro-economic policy orientations, which would encourage the creation of new jobs, notably but not only through a reduction of weekly working hours to 35 with no wage reduction, longer annual paid holidays, retirement at the age of sixty and the introduction of a fifth team in shift work. This should be achieved by means of a Commission action to initiate and successfully complete negotiations

[750] HAEU, GSPE-066-EN, 'Note regarding the setting up of an ad hoc working party on questions relating to employment', by Jacques Delors, August 1979, pp.304-307, here p. 306.
[751] The resolution advocated a gradual reduction of the weekly working hours to 35-36 hours, and an improvement of work distribution (redistribution) to address the increasing social and regional inequalities. Besides, the resolution advocated the adoption of economic policy measures capable of directing and coordinating development more closely (planning), both at EEC level and in relation with developing countries. HAEU, GSPE-066-EN, pp. 292-293: 'Draft resolution on employment prepared by Mario Dido', 18 September 1979.
[752] HAEU, GSPE-066-EN, 'Note. Meeting of the working party on employment, 19 October 1979'. p. 340.
[753] The SG adopted the resolution on working time and decided to request the urgency procedure for its approval by the EP right after the January debate. HAEU, GSPE-067-EN, pp.93-95: 'Minutes of the meeting of the SGEP on 22-23 October 1979'; HAEU, GSPE-067-EN, p.219: 'Note on the next meeting of the Working Party on Employment', 19 December 1979.

between the two sides of industry for a tripartite agreement, or thanks to a directive under which all measures to reduce working hours would be planned sector by sector.[754]

During the debate on 15 January 1980, the members of the SGEP put forward their arguments for a coordinated response to the employment situation at EC level, which should include a reduction of working time.[755] The Socialist Group's demands were in line with the broad 'socialist alternative' response to the crisis that had been formulated within transnational socialist circles since the mid-1970s: redistribution of work and wealth, economic democratisation, reflation, increased public spending and control of public and private investment, and so on. The Vice-President and Commissioner for Social Affairs & Employment Vredeling, who presented the Commission's work on the matter, supported it. The Communist and Allies also supported the ETUC and Socialist demands and the Commission proposals regarding reduction of working time.[756] As to the members of the European People's Party, they

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[754] AHPE, PE1-AP-QP-QO-O-0148-79-0010-FR, 'Question orale avec débat de M. Glinne et autres au nom du groupe socialiste à la Commission des CE sur la situation de l'emploi dans la Communauté', 18 décembre 1979; AHPE, PE1-AP-PR-B1-0659/79-0010-FR, 'Proposition de resolution présentée par M. Glinne au nom du GS relative à la situation de l'emploi dans la Communauté', 14 Janvier 1980. Importantly, the motion advocated industrial and regional planning in favour of restoring employment: boosting of demand based on the existing needs for goods and public services, public investment and measures to stimulate the economy, public control over the major industrial concentrations, dominant positions and multinational companies; similarly "each State, and its workers, must have the right to be informed about and to oversee investments". "This means aiming for strong planned growth of a new kind". The motion also asked the Commission to develop its policies on the protection of workers in undertakings, improvement of working conditions and guarantee of trade-union rights, leveling up standards to match those of the most favoured workers in the Community, and the implementation of a genuine common education policy. Finally, the resolution invited the Commission to stimulate and encourage the implementation of job programmes designed specifically for women and young people, the main victims of unemployment.

[755] To sum up, Socialist speakers called for the following measures to be put in hand: reduction of working hours, better protection of workers' rights and improvement of working conditions, the implementation of a training and retraining policy for adults with particular emphasis on young people, the stimulating of demand (geared to needs that had not yet been met and to new needs associated with the quality of life and the public services), the improvement of the general situation of migrant workers, public supervision of large industrial mergers and monopolies and of multinational companies (similarly, the investment process should be subject to the right of each State and the workers to obtain information and exercise control), and finally the coordination of the various EEC instruments (Regional Fund, ESF, EAGGF, industrial projects and financial operations conduced by the Community and the EIB). AHPE, PE1-AP-DE/1979-DE19800115-039900EN, 'Sitting of Tuesday 15 January 1980. Employment situation in the Community'.

[756] *Ibid.* The Italian MEPs of the Communist and Allies Group also tabled a resolution that would have given a mandate to the Social Affairs & Employment Committee and to the Economic & Monetary Committee to make proposals regarding different economic and social issues including reorganising and reduction of working time. The motion for a resolution was rejected during the vote. AHPE, PE1-AP-PR-B1-0671/790010FR, 'Proposition de resolution présentée par MM. Bonaccini et autres sur la situation de l'emploi dans la Communauté', 15 janvier 1980. The French communists also tabled a motion which was much firmer on the question of working time, and which was also rejected. AHPE,,

repeatedly affirmed their attachment to the sacrosanctity of employment and the EP's role in this regard, but politely dismissed the idea that working time reduction could be an adequate solution. Members of the European Democratic Group denounced "the archaic world apparently conjured up by the Socialist motion which we are debating today" and "the static, unchanging, myopic view of society that would have looked dated in the Middle Ages". Particularly targeted were the allegedly Manichean views of socialists regarding multinational companies, their will to preserve declining industries, and to maintain the control of "the dead hand of the state" over all investment decisions. The British conservative MEP Spencer went on:

> Nowhere is this attitude clearer, than in the Socialist approach to the work-sharing proposals of the Commission. The EDG will reject the concept of a legislated thirty-five hour week or the attempt to create an artificial shift. (…) We are persuaded that they will be expensive and damaging to competition.[757]

Unsurprisingly, the Conservatives argued to the contrary, that all that could be done was to encourage new jobs in new industries, encourage retraining and mobility, and fight against inflation to restore growth. The Liberal and Democratic Group members broadly held the same line. The Socialists' resolution was rejected by the right-wing alliance, whereas the two motions for resolutions tabled by the EPP and the EDG were passed.[758] One of the resolutions adopted that day by a large majority, tabled on behalf of the EDG, stated that the EP:

> 1. Believes that work-sharing is substantially a matter to be settled between employers and employees;
> 2. Believes that the thrust of the existing work-sharing proposals can make only a minor impact on the present employment situation while likely to increase costs and reduce international competitiveness;
> 3. Rejects the idea that the employment problem can be solved by the expansion of the public sector, while accepting that public authorities have an important role in providing the necessary infrastructure for industrial development, in stimulating training and re-training schemes and in helping industry to understand and adapt to demand and employment trends[759]

PE1-AP-PR-B1-0672/79-0010-FR, 'Proposition de resolution présentée par M. Frischmann et autres sur la situation de l'emploi dans la Communauté', 15 Janvier 1980.

[757] AHPE, PE1-AP-DE/1979-DE19800115-039900EN, 'Sitting of Tuesday 15 January 1980. Employment situation in the Community'.

[758] AHPE, PE1-AP-DE/1979-DE19800116-039900EN, 'Sitting of Wednesday, 16 January 1980 (vote)'.

[759] AHPE, PE1-AP-PR-B1-0669/79-0001-EN, 'Resolution on the employment situation in the Community', 15 January 1980.

This was a patent defeat for the Left.

This episode illustrated the significant loss of power of the SGEP within the chamber after the 1979 election, as well as the failure of the new 'alliance strategy' that the Group was trying to apply now that it had been put in minority by a CD–Liberals–British and Danish Conservatives majority, which consisted of achieving majority on important issues thanks to the support of left-wing CD or Communist MEPs.[760] As noted by Delors, the debate on employment organised by the SGEP had been awfully 'disappointing' – only about 20-30 Members were present and only 30 minutes were left to the Commission to present its arguments in favour of its project, out of an 8-hour debate. The SGEP and its WPoE, forced to acknowledge that they failed to build an 'alliance' of democratic forces or of the Left around their strategy to restore employment and growth, thereafter entered a period of reflection.[761]

Concurrently, the Commission's efforts met with very disappointing results. Under the impetus of Commissioner Vredeling, between 1977 and 1979 the DGV of the Commission carried out a series of studies meant to set everybody's minds at rest as to the alleged consequences of working time reduction. The main argument of the opponents to working time reduction at the time was that no empirical data proved that it would work to restore full employment. The same arguments were often presented by employers' representatives in the Tripartite Conferences, by Liberal, Conservative and Christian-democratic MEPs in debates on employment, and by their colleagues at the Commission and Council. At the time, the 'neoliberal' (or orthodox neoclassical) economists like Milton Friedman asserted that in the 1960s, the 'natural' rate of unemployment compatible with stable prices, technically known as NAIRU ('non-accelerating inflation rate of unemployment'), was much lower than in the 1970s and 1980s. Keynesians on the contrary considered that unemployment rose because of deflationary policies followed by governments to fight inflation, which in

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[760] HAEU, GSPE-068-EN, 'Activities of the SG at the EP - Report presented at the XIth Congress of the CSPEC' pp.77-90, by Ernest Glinne, Chaiman of the SG at the EP (Congress held in March 1980).

[761] AHPE, PE1-AP-DE/1979-DE19800116-039900EN, 'Sitting of Wednesday, 16 January 1980 (vote)'; HAEU, GSPE-070-EN, PE/GS/295/80 'Note. Working Party on Employment, document by J. Delors', 19 November 1980, pp. 231-234. Note for discussion at the next meeting on 8 December 1980. The WP on Employment had been asked to prepare for future debates of Parliament during which employment problems were likely to be raised. HAEU, GSPE-068-EN, 'Activities of the SG at the EP - Report presented at the XIth Congress of the CSPEC' by Ernest Glinne, Chaiman of the SG at the EP (Congress held in March 1980), pp.77-90.

turn was caused by rising prices of oil and raw materials.[762] The Commission's studies pointed to the beneficial effects of work sharing in terms of employment creation, wellbeing and productivity. However, the first Commission documents, discussed in the framework of the SCE, did not lead to any agreement between its participants.[763]

A former member of the Commission remembered recently of that undertaking: 'We opted for proposing a directive on the organisation of working time. A young German from the DG had done some extraordinary groundwork. Two years were spent working intensely with expert groups and employer and trade union organisations developing economic models to try to gauge the results and the alternatives. The whole exercise finally boiled down to a few texts on minimum working hours (plus a very vague agreement at the tripartite conference) that fell well short of the unions' demands. It was as if we were just throwing them a bone. And this illustrated the very ambiguity of European social policy. It is an area in which subsidiarity applies very strictly; but taking action (or appearing to do so) was essential for the sake of public opinion'.[764]

Indeed, the member States at the Council failed to ever forcefully support the project. The West German government was ambiguous on the matter.[765] Although the

[762] As noted by Sassoon, historians agree that during the late 1970s and 1980s, full employment was replaced by low inflation as the main objective of Western European societies: unemployment became accepted as a mechanism for the control of wages and therefore of price increase. There was no theory then, and there is still none now, which unequivocally explained the causes of unemployment. The disparities in the combinations of rising rates of unemployment, inflation and growth between countries, as Sassoon shows, proves that it is impossible to single out any satisfying fully tested theory. Political leaders back then were aware that they did not fully understand the whole unemployment problem. Sassoon, *One Hundred Years of Socialism*, 1996, 452.

[763] AHCE, 375/1999_1342, Commission des CE, 'La répartition du travail – objectifs et effets', SEC (78) 740/2 (annexe au 740), document de travail des services de la Commission ; AHCE, 375/1999_1342, Commission des CE, 'Secrétariat Général, note à l'attention de MM. les membres de la Commission, '13e réunion du Comité Permanent de l'emploi tenue à Bruxelles le 21 mars 1978 sur la division du travail'. To protest against the employers' refusal to negotiate on the question of reduction of working time, the ETUC left the SCE meeting in May 1979. Gobin, "Consultation et Concertation Sociales à l'échelle de La Communauté Economique Européenne," 509.

[764] 'Interview with Roland Tavitian', 10 September 2010, in Pierre Tilly and Sylvain Schirmann, 'Free movement of workers, social rights and social affairs', in Eric Bussière et al., eds., The European Commission, 1973-86: History and Memories of an Institution (Luxembourg: Publications Office of the European Union, 2014), 351–367.

[765] It was initially reluctant according to Warlouzet, but probably receptive from pressures from trade unions and the SPD. Gobin noted that in 1978 ETUC was hoping that the support of the German Government would help to win over the other member states. However, at the 1978 TC, the German Finance minister Otto Graf Lambsdorf (Liberal), was ambiguous in his conclusions: "sur la question d'une réduction generalisée du temps de travail, il adopta une attitude on ne peut plus ambivalente : tout en enregistrant le refus pur et simple d'une grande partie du patronat à traiter de cette question, il appellera les interlocuteurs sociaux à négocier librement cette question alors qu'il déclarera dans un

French government under Giscard seemed open to discussions on social Europe and on working time, its conception of working time reorganisation differed on every point from the project put forward by the ETUC, the Socialists and the Vredeling Commission. At the time Paris refused any reduction of working time *without loss of wage* and preferred solutions like limiting overtime work or encouraging part-time work – in other words increasing the flexibility of labour. Rather tellingly, the PM Raymond Barre insisted on replacing the expression *'répartition du temps de travail'* with *'aménagement du temps de travail'*.[766]

During the first semester of 1979, the member states built consensus around the French position. However, the Vredeling position on a 35 hours working week with no loss of wage raised stark opposition from the French Finance minister, the French Commissioner Ortoli, and even the German government. Whereas the British Labour party was cautious on the matter, the Conservative Thatcher government that succeeded in May 1979 was plainly and fiercely opposed to the project.[767] The end result was a very modest (and non-binding) resolution on working time adopted by the Council on 22 November 1979, which disappointed all promoters of the project.[768]

The European employers organisations played a significant role in undermining any meaningful agreement at EC level on the reduction of working time. In June 1978, UNICE had already rejected the organisation of a joint FTA-EEC tripartite Conference, which had been vividly supported by the ETUC. In March 1980, it refused to participate in a tripartite Conference organised at the level of the Council of Europe on the same topic. In May 1980, it again refused to participate in another tripartite Conference on working time reduction proposed by Vredeling. Later, the new president of the UNICE, Guido Carli even refused Vredeling's proposals to engage in negotiation on framework-agreements between UNICE and ETUC, arguing that its statutes did not allow the organisation to commit to such negotiations. He only agreed to engage in an exchange of information, and limited

même temps qu'il convient de recourir davantage au travail à temps partiel et d'offrir un plus grand nombre d'emplois de ce type". Gobin, "Consultation et Concertation Sociales à l'échelle de La Communauté Economique Européenne," 511; Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 93.

[766] Berstein, Sirinelli, and Casanova, *Les Années Giscard*.

[767] For a detailed description of the member States' positions on the matter, see Warlouzet pp. 93-99.

[768] AHCE, 36/1984_128, Conseil Européen de Dublin, novembre 1979 (Ortoli papers), 'Council of the EC resolution on the reorganisation of working time', 22 November 1979.

annual worked time in exchange for trade-offs in terms of flexibility so that productivity would not be threatened. ETUC and the DGV both noted a tougher stance taken by the UNICE, especially regarding work sharing.[769]

Nevertheless, in 1981, with the election of Mitterrand in France and the new government's economic and social reforms and claims for a 'European social space', the question of working time reduction arose again.[770] The SGEP thereafter reasserted its position on the matter. Between June and October 1981, the Group attempted to formulate and adopt an official position on employment policy. There was still consensus among the SGEP that the adequate response to the problems of new technology and increased competition on world markets included reducing working hours, that the ETUC's continued demands on working time reduction should be backed, and that the efforts of the new French President to transform the French employment situation should be supported by European socialists.[771] However, the common position on employment policy raised fierce debates among the members of the group.[772] Eventually, the position adopted included a detailed position on reduction of working time to be pursued at Community (EEC) and/or national (N) levels, including:

> - a reduction of at least 10% in the working week over the next five years in line with the demands made by the ETUC (EEC/N),
> - a reduction of the legally permitted working week to 40 hours (N),
> - a ban on overtime on a regular basis (EEC/N),
> - introduction of flexible retirement age limits (EEC/N).
> - legal protection of all part-time work, with regard to social insurance and unemployment benefits (EEC/N),
> - a ban on the employment of children (EEC/EN)
> - framework legislation for social control in the sense of regional worker participation bodies (EEC/N),
> - framework legislation governing the introduction of investment control

[769] Gobin, "Consultation et Concertation Sociales à l'échelle de La Communauté Economique Européenne," 510; Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 153.

[770] The new French executive had included in its social reforms a small reduction of working time (from 40 to 39 hours) and asserted that the final objective was 35 hours. It is worth noting however that the December 1981 memorandum on Social Europe only invoked the application of the 1979 Council recommendation on working time reduction, with greater supported from ESF aids.

[771] HAEU, GSPE-071-EN-05, pp. 65-71: PE/GS/164/81: 'Draft Summary Minutes of the SG Meeting on June 2nd, 1981 in Killarney'. Discussing the Interim Report of the Working Party on Employment (PE/EW/154 + 154/81). See also HAEU, GSPE-071-EN-03, pp. 2-5: PE/GS/95/81 'Note. ETUC campaign on unemployment', 26 March 1981.

[772] As exemplified for example in a discussion that arose during the Group debate on employment policy GSPE-071-EN-05, pp. 105-108: PE/GS/174/81, 'Letter to Heinke Salisch by Allan Rogers', 8 June 1981.

at the various levels (regional, land, Community, etc.) (EEC),
- safeguarding of existing jobs by transferring some of the burden of social security payments made by small and medium-sized undertakings to central government (EEC/N).[773]

Between 1979 and 1983, often based on proposals from left-wing members, the Social Affairs & Employment committee of the EP continued to be particularly active in collecting information, drafting reports and presenting resolutions on the adaptation of working time, on new technologies and employment, on energy problems and their consequences for employment, on part-time work, on temporary work, on voluntary work, guaranteed work plan, the age of retirement, and on a Community employment policy. However, the Left never succeeded in passing a resolution that clearly stated the EP's support for the working time reduction approach as formulated above. All the resolutions adopted by the EP at most encouraged adapting workers' protection to a more flexible organisation of labour, therefore promoting a 'reorganisation' of working time which had little to do with the project put forward by the ETUC and by European socialists. The resolutions always ended up broadly reflecting the right-wing majority's view and emphasising principles such as competitiveness, flexibility, training and mobility of labour, as well as anti-inflation measures and financial and fiscal aid to the private sector.[774] Besides, despite some attempts by MEPs to influence the Council, the various resolutions adopted by the EP were often disregarded.[775]

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[773] HAEU, GSPE-071-EN-05, PE/GS/154/rev/1, 'Position of the Socialist Group on Employment Policy', adopted by the WPoE at its meeting on 7th October 1981, pp. 30-40.

[774] For instance AHPE, PE1AP-RP/ASOC.1979-A1-0425/810001EN, 'Resolution on employment and the adaptation of working time', 12 October 1981; AHPE, PE1-AP-RP/ASOC.1979-A1-0164/810001EN, 'Resolution on the repercussions of energy problems and technological developments on the level of employment in the EC', 12 October 1981; AHPE,, PE1-AP-RP/ASOC.1979-A1-0071/830001EN, 'Resolution on the memorandum from the Commission of the EC on the reduction and reorganization of working time', 28 April 1983.

[775] For instance, on the occasion of the November 1982 'Jumbo' Council meeting – which included Ecofin and Labour & Social Affairs ministers – the EP put an oral question with debate to the Council on 27 October 1982, asking "is the Council prepared to put into practice as soon as possible, and in any event before the end of this legislative period, the proposals contained in the resolutions of the European Parliament passed in the wake of the reports by Mrs Salisch on new technologies and employment, by Mr Ceravolo on the adaptation of working time, by Mr Dido on the guaranteed work plan, by Mr Calvez on part-time work and by Miss De Valera on the age of retirement, particularly those concerning work-sharing and the participation of workers and their representatives in decisions on the introduction of new technologies?" It was politely ignored by the Council: except for the Greek delegation which agreed with the EP's claims, the other delegations either ignored the question or denied that there had been a lack of consideration from the Council to the problem of unemployment. European Parliament, 'Working Documents 1982-1983. Oral Question (0-82/82) with debate pursuant to Rule 42 of the Rules of Procedure by Mr Bonaccini, Mr Calvez, Mr Chanterie, Mr Dido, Mr

At the same time, in the beginning of the 1980s, the Commission continued its work on different aspects of the question, such as overtime work, part-time work, or early retirement, commissioning several studies on the matter.[776] In 1981 however, the British Labour Commissioner Ivor Richard, who was much less willing to act on the issue of reducing of working time, replaced Vredeling at the DGV. Nonetheless, the Commission made new proposals regarding the reduction and reorganisation of working time in a memorandum at the end of 1982, which corresponded to new pressures from the French government in 1982 and 1983.[777] Despite its cautious proposal and despite the fact that it merely proposed a recommendation (instead of a binding directive) the Council failed to take any decision on that ground. The hostility of the Thatcher government was paralleled by the reluctance of the Schmidt government, and after October 1982 the new Kohl government in West Germany, which was grappling with internal conflict regarding the 35-hour week and wanted to keep the EC away from this burning issue.[778] Although the French government tried to use its presidency of the Council in the first semester of 1984 to put the issue back on the table, notably through new efforts to restore tripartite dialogue, the initiative went unheeded. The British government put its veto to the Commission recommendation proposal at the Social Affairs Council meeting of 7 June 1984. The other nine member states did decide to adopt a recommendation on the reduction and reorganisation of working time. As Warlouzet noted however, the document was very

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K.H.Hoffmann, Mr Macario, Mr Moreau, Mrs Salisch and Mr Vetter to the Council of the European Communities. Subject Community economic and social policy', 27 October 1982, AEI, accessed on http://aei.pitt.edu/60435/1/EPWD-2_B4_40.pdf, last access 20 July 2017. Tabled by four SGEP, one Communist, one Lib Dem, and three EPP MEPs. HAEU, GSPE-072-EN-07, p. 193 and following, PE/GS/344/82. Replies of German Chancellor (denies and insists that governments are committed to free market against protectionism and thus for employment), Greek PM (totally agrees with SG), UK PM (does not grant reply), and Irish PM (denies).

[776] AHCE, 375/1999_1929, 'Lettre de René Leray, DG affaires économiques et financières, à Fitoussi, directeur du département d'économie de l'IUE', 25 mai 1981. The letter communicates the 'Lallier' report on the economic consequences of different working-time reduction measures. The report is meant the complete a series of works already carried out on the topic ; AHCE, 375/1999_1929, 'Document interne de la Commission sur les travaux du Comité de Politique Economique' (no date). The Committee on economic policy was charged to examine the economic consequences of different working-time reduction measures that were included in the Commission's communication to the Council on work sharing (COM 79-188). The communication was prepared on the basis of the 'Claudel report' and other experts' contributions.

[777] Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 95–99. During a meeting organised by the ETUC in May 1983, the then French Minister for Industry Laurent Fabius, who was very close to Mitterrand, noted that the 1981 unilateral working-time reduction in France had led to some problems. Any further reduction would therefore have to come with increased flexibility and with a European agreement to avoid social dumping.

[778] The DGB had adopted the 35 hours working week as one of its prime objectives. In 1984 IG Mettall started a massive historic strike and obtained the 38,5 hours.

cautious, non-binding, and insisted on the need to make a more flexible and efficient use of the labour resources without increasing production costs. Working time reduction in this document was envisaged as a means to "*contribuer à faciliter les changements structurels, l'amélioration de la compétitivité et une plus grande flexibilité sur le marché du travail*".[779]

The progressive victory of the working time 'reorganisation' concept over the idea of working time 'reduction' in a sense prefigured the ongoing victory of the liberal and conservative project for the EC over the left-wing project for a Social Europe.[780] The same evolution took place regarding the important case of the directive on workers' consultation and participation.

Control of Multinational companies and Industrial democratisation: the defeat of the Vredeling directive

In 1980, the Commissioner for Social Affairs, Henk Vredeling, managed to put forward a proposal for a directive on information and consultation of workers in transnational firms. The directive touched upon two questions that were fundamental to the European Left in those years: industrial democratisation and the control of multinationals.

Industrial democratisation – understood broadly as increased involvement of workers into industrial management – had been a key demand of the transnational European Left throughout the post-1968 decade. It was related to a larger project of 'democratisation of the economy' that buoyed social movements in the 1970s, and was an important topic in the public debates of virtually all countries of Western Europe (and around the world).[781] As explained in previous chapters, throughout the decade it became increasingly important for Western European trade unions and

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[779] Debates revolved around the questions of the legal foundations of this democratisation (law, social partners' bargaining), of the type of participation considered (direct or indirect representation of workers) on the decision-making procedures (mere consultation or real participation in decisions), on the type of decisions considered (working conditions, firm managment or strategic economic decisions) and on the role of trade unions (whether they should have the monopoly of workers' representation). Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 98.

[780] See also Corinne Gobin, "Réduction du temps de travail: 1975-1985 : un siècle de différence !," *La Revue nouvelle* 4 (April 1993): 40–53.

[781] Herman Knudsen, *Employee Participation in Europe* (SAGE, 1995); for a synthetic summary of the debates in Germany, France and the UK, see Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 105–9.

socialists, and it was a crucial aspect of their transnational 'social Europe' project. The champions of economic democratisation – first among whom the Danish social democrats – saw it as *the* way to reach a new social pact that would drag Western Europe out of the crisis.[782]

The stakes were not only social (increasing workers' rights and participation in enterprises) and economic (allowing more efficiency in the organisation of work) but also political – it was seen as a means of enabling political stabilisation and social pacification against the climate of social conflict, which was critical at the time. Although employers' organisations were quite firmly opposed to these proposals, during the 'golden age' of social democracy Western European political elites were relatively open to the idea.

In practice however, it was a key point of discord within the social movement, between and within trade unions and left-wing parties, and between socialist and social-democratic parties organised at European level. Throughout Western Europe – in France and the UK for instance – the national public debates on the issue revealed important divisions among the Left, including the trade unions. The same divisions occurred at the EC level. Vivid debates had arisen on the question during the elaboration of the 1973 'Bonn theses for a Social Europe', the 1974 SAP, and around 1977-78 during the works on the common European Socialist manifesto.[783] The 1978 'Political Declaration' of Socialist leaders explained that democratisation within the enterprise and the economy as a whole was crucial, but emphasised that it should be

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[782] In his speech during the June 1978 Brussels party leaders' Conference, Anker Jørgensen presented this democratisation as "a new economic policy that will lead us out of the crisis" because it will allow the implementation of incomes policies not based on wage restriction or wage cuts (the Right's understanding of incomes policy), but through real participation of workers in management decisions and co-ownership of the firms. In this view, profits would not be restored at the cost of the workers but through greater involvement of the workers in capital and management. IISH, CSPEC 18, Party-leaders Conference 23-24 June 1978 Brussels, Speech by Anker Jørgensen (President of Socialdemokratiet), 'Political and economic democracy'. It is worth noting however that by 1980 the Swedish unions were severely criticising the Jorgensen's policy, the increasing cuts in public expenses and the lagging behind of the government's promises regarding workers' co-ownership and participation to management in firms, which were blocked in the Danish *Folketing*. HAEU, GSPE-069-EN, pp. 352-354, PE/GS/249/80, 'Note: 33rd Congress of Socialdemokratiet, Copenhagen, 4-7 Spetember 1980'.

[783] As explained previously, the reasons for these tensions were different attitudes regarding collaboration with employers, depending on the more or less reformist or radical revolutionary stances of the unions and parties. Importantly, depending on what legal and decisional regime was adopted to allow workers' participation in the firms' work councils, the trade unions' power could be either increased or undermined. At the EC level, the question of industrial democracy had raised tensions between (to put it simply) the 'Southern' socialist parties led by France and the social-democratic parties – chiefly Germany and Denmark – around the concepts of self-management and co-management. It was also a high point of conflict within the *union de la gauche* in France, as the PCF rejected both co-management and self-management and advocated state management. See chapters 4 and 5.

developed in a form appropriate to each country and in collaboration with the trade unions.

During the 1970s however, the growing challenge posed by globalisation and transnational companies encouraged Western European unions and left-wing parties to engage greater efforts to surpass their differences and define a coordinated position regarding workers' representation and their possibility of influencing decisions in enterprises.[784] The political weight of the DGB – which represented with the TUC the most numerous trade union of the EC – allowed it to promote the German model of co-management (*Mitbestimmung*) as the ideal model of industrial relations, that should be adopted also at European level. Moreover, between 1974 and 1982, the two successive Presidents of the body were the German Oscar Vetter and the Dutch Wim Kok, who strongly supported the German co-management model. Although according to Gobin the words 'co-management' and 'co-determination' were never adopted as such in the ETUC's official documents, the German influence on the question was undeniable.[785] The same could be argued regarding the socialist parties organised at EC level – the main Presidents of the Confederation of Socialist Parties of the EC during the period, the German Wilhelm Dröscher and the Dutch Joop den Uyl, vigorously supported this model.

The other important aspect of the Vredeling directive was its attempt to contribute to regulating globalisation, or to be more precise, to control multinational corporations (MNCs). The debate on economic globalisation and MNCs had intensified since the late 1960s as trade and financial globalisation galloped ahead and as the size and influence of MNCs were visibly increasing.[786] The growing problem of unemployment in Western Europe since the mid-1970s aggravated the issue.

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[784] For instance HAEU, GSPE-057-FR-A 'Colloque européen de 1974 : la participation au centre des discussions', 4 July 1974, pp. 378-379; IISH, CSPEC-24, 'CSPEC Conference on "Economic Democracy: guarantee of peace, liberty and equality" organized in Copenhagen 5-6 April 1979'. The Conference was organised as part of the socialist campaign for the EP direct elections and the 121 participants included the Chairman of the CSPEC, 6 representatives of each of the member parties, one representative of each of the Nordic social-democratic parties, 6 of the candidates of Socialdemokratiet for the EP, 5 representatives of the Socialdemokratiet Group of the Folketing, the President and Secretary General of the SGEP, representatives of the ECFTU, ETUC and Nordic Trade Union Confederation.

[785] Gobin, "Consultation et Concertation Sociales à l'échelle de La Communauté Economique Européenne," 362–63.

[786] The 1973 oil shock underlined in a dramatic way the power of multinational oil corporations. Furthermore, 1973 was also the year of the military coup in Chile, which highlighted the interference of US multinationals in several coups in South American countries. During the 1970s moreover, various cases of closing subsidiary companies provoked public debate and indignation towards multinationals relocation strategies and their effects on employment.

Indeed, left-wing forces – unions and parties alike – agreed that MNCs had a negative effect on workers' rights and unions' weight in collective bargaining and contributed to feeding unemployment through relocations.[787] As was recurrently noted by trade unions and socialist parties, the globalisation of capital and management made the organisation of workers' struggle at the international level necessary. The rise of the Third World movement also contributed to making the issue more pressing. In 1974 the New International Economic Order programme advocated the adoption of a Code of Conduct of MNCs – an idea widely shared during the 1970s. Against the background of strong social movements and widespread state interventionism, the project of controlling multinationals and regulating globalisation had strong support.[788]

At the time, both the ETUC and the European socialists (in the SI, the CSPEC and the SGEP) repeatedly affirmed their determination in this sense. The question of transnational corporations and their effects in the world economy had been an important theme of discussion during the 14th Congress of the SI in November 1978 in Vancouver. The SI had set up a study group on transnational corporations, which proposed that each country should establish a special MNC monitoring agency that would gather information from MNCs, other governmental bodies and trade unions.[789] Jan Tinberger's previously mentioned report, *Reshaping the international order*, asked for limitations in the rise of multinationals and for an international authority to formulate rules of conduct and to supervise them.

Throughout the decade, attempts were made to use the framework of major international organisations and agreements – the United Nations Centre on Transnational Corporations (UNCTC), the ILO, the GATT, and the OECD – to elaborate some kind of international guideline or agreement for the control of MNCs'

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[787] The multiplication of separate production sites inside MNCs weakened the unions' possibility for mobilisation and action and instored competition between the workers of different countries. See Thomas Fetzer's works on the UK and German unions on this issue: Thomas Fetzer, "The Late Birth of Transnational Labour Cooperation: Cross-Border Trade Union Networks at Ford and General Motors (1953–2001)," *Labour History Review* 75, no. 1 (2010): 76–97.

[788] This was evident for instance in Franco Archibugi, Jacques Delors, and Stuart Holland, "Planning for Development," in *Beyond Capitalist Planning*, ed. Stuart Holland (Oxford: Basil Blackwell, 1978), 184–202.

[789] For instance IISH, SI-944 'Joop den Uyl, "Transnational corporations and world economy"', 14th Congress of the SI, Vancouver 3-5 November 1978; IISH, SI-945, 'Resolution of the Congress of the SI, Vancouver November 3-5 1978' 14th Congress Vancouver 3-5 November 1978. See also on the works of the SI regarding MNCs during those years of the Brandt presidency Garavini, *After Empires*, 230–40.

activity.[790] Within these bodies, several codes of conduct, resolutions, declarations and international agreements were adopted in the 1970s and early 1980s, but these always remained non-binding and had very little impact on national regulation and enterprises' actual conduct. In November 1977, for instance, the ILO adopted its first 'Tripartite declaration of principles concerning multinational enterprises and social policy', which to today remains a non-binding agreement. In June 1976, the OECD adopted 'Guidelines for Multinational Enterprises' – a set of general principles which condemned corruption, encouraged firms to consider the economic and social policies of the host country, recommended releasing information on the company's organisation, management, share-owners, price policy, etc., advised non-interference in local politics, and encouraged the participation and informing of workers (i.e. participation in negotiations on working conditions, prior information in case of dismissal). These guidelines were legally non-binding. They did not imply sanctions in case of non-compliance by a multinational and were therefore intended to work on a voluntary basis.

The reasons for the overall failure to adopt significant binding international rules to control MNCs were manifold. The stiff opposition of employers' organisations – and the effectiveness of their lobbying – was the first obvious one. Another major factor was the opposition of the American government, who threatened to freeze their contribution to the ILO budget in November 1975 in order to obtain a phasedown of the issue, and actually did so in 1977. Bair has documented the attacks waged against the UNCTC and other elements within the UN that were associated with the developing countries' (the G-77) agenda, especially the efforts of the Heritage Foundation close to the Reagan administration.[791] Another important

[790] For a summary of the emergence of the debates on the control of enterprises within international organisations after WWII, and on the attempts and failures to establish control of MNCs in the GATT, ILO, UN and OECD during the 1970s, see Warlouzet, pp.100-105. On the question of information and consultation of workers more specifically: Geoffrey Hamilton, 'Initiatives Undertaken by International Organisations in the Field of Employee Information and Consultation in Multinational Undertakings (ILO, OECD, UN)' Jacques Vandamme, *Employee Consultation & Information in Multinational Corporations* (London: Croom Helm, 1986), 95–116. On the failure of the attempt to formulate a Code of Conduct of MNCs within the UN (led at the Third World countries' initiative within the UN Center on Transnational Corporations created in November 1975), see Jennifer Bair, 'Taking Aim at the New International Economic Order', in Mirowski and Plehwe, *The Road from Mont Pèlerin*, 2009. On ILO: Lorenzo Mechi, "ILO and Employment: From a European to a Global Approach (1944-1976)," in *Multilateralism and the Trente Glorieuses in Europe*, ed. Régine Perron (Neufchâtel: Editions Alphil, 2011).

[791] Mirowski and Plehwe, *The Road from Mont Pèlerin*, 2009, Jennifer Bair, 'Taking Aim at the New International Economic Order.'

element is obviously the fact that these international organisations did not have the institutional means to adopt or implement legally binding instruments on the question.

The deceptive results of the attempts carried out in these inter-governmental structures encouraged actors such as ETUC to gear their efforts towards the EEC – where binding measures could potentially be adopted.[792] In 1980, the 'Vredeling directive' proposal was the most important attempt to use the EC to establish control over MNCs.

The Commission proposal followed years of discussion and studies of industrial democracy and co-management that took place since the mid-1960s within the debate on the creation of a statute for a European company (SEA), meant to favour the creation, action and merging of European companies across EC internal borders.[793]

Concomitantly, all discussions on a European social policy during the 1970s pointed to the need to associate social partners more closely to social and economic decisions. The 1974 SAP had asserted the necessity to increase 'the participation of workers into the life of undertakings'. In 1973 moreover, the Commission had issued a first Communication to the Council on multinational undertakings, in which it raised the problem of an EC-level Code of Conducts for MNCs and pronounced itself in

[792] On the attempt and failure of the trade union movement to constitute an international counter-power to the increasing powers of multinationals during the 1960s and 1970s, and how it led European unions to bet on the EC structure, see Udo Rehfeldt, "Les stratégies syndicales européennes", in Annie Fouquet, Udo Rehfeldt, and Serge Le Roux, eds., *Le Syndicalisme Dans La Mondialisation* (Paris: Editions de l'Atelier, 2000), 77–86. See also Charles Levinson, *Le contre-pouvoir multinational*, Paris, Le Seuil, 1974 ; Charles Levinson, *International Trade Unionism*, Ruskin House Series in Trade Union Studies, no. 1 (London: Allen & Unwin, 1972).

[793] On the evolution of the debate on a '*societas europeae'* since WWII and on the difficulties that blocked the EC efforts to create a European company statute, see Frédéric Mertens de Wilmars, "La société européenne : les raisons d'un blocage", in Marine Moguen-Toursel, ed., *Stratégies d'entreprise et Action Publique Dans l'europe Integree, 1950-1980: Affrontement et Apprentissage Des Acteurs = Firm Strategies and Public Policy in Integrated Europe, 1950-1980: Confrontation and Learning of Economic Actors*, Euroclio. Etudes et Documents 37 (Bruxelles: Peter Lang, 2007), 105–26. On 30 June 1970, the Commission submitted its first proposal for a regulation by the Council on the creation of a statute of a European company. The Commission's proposal followed the German model of dualism, with a separation between management and surveillance councils. It proposed the creation of two bodies for the representation of workers: the Surveillance Council and the European Works Council (at European level), and a third organ composed exclusively of management, the Directory, which must inform the European Works Council on the economic situation and its effects on employment and investments. The proposal included co-decision for workers' representatives on some aspects and mandatory opinions on others. A revised regulation proposal was presented by the Commission to the Council on 13 May 1975. The proposal was eventually abandoned facing strong opposition by UNICE, some criticism by the ETUC, and reluctance of the member States.

favour of a trade unions' counterweight to multinationals' power.[794] Riding the crest of this wave, during the 1970s the European Commission adopted a series of modest but rather progressive directives in the field of Company Law, which aimed to ensure workers' protection in case of mass dismissals, transfers, mergers and insolvency.[795] However, these directives did not address the problem of the difficulty workers' representatives had in identifying a responsible interlocutor in MNCs, which generally presented complex decision-making structures.

After Vredeling took over the DGV in 1977, he was quick to put the issue of industrial democracy back onto the EC agenda. Vredeling's conviction that co-management was the key to workers' empowerment – "from salaried slavery to participation" – went back at least to the late 1960s, when he was in charge of Agriculture.[796] Although his priority was initially working time reduction, he believed that European legislation to implement workers participation in MNCs would establish an important pillar of social Europe. Vredeling's initial proposals, following the will of European trade unions, included imposing obligations on the corporation's headquarters, even when they were located outside the EC. Several questions – such as the extraterritoriality of the legislation, the discrimination of MNCs compared to other firms, the disadvantage the directive might cause to European companies

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[794] Issued by the commissioner for Industry and Technology, Altiero Spinelli: EEC Commission, *Multinational Undertakings and the Community*, Communication of the European Commission to the Council of Ministers, 8 November 1973. Unsurprisingly, this part of the Commission proposals met strong hostility from business organisations. Petrini, "Demanding Democracy in the Workplace," 162.

[795] Council Council Directive 75/129/EEC of 17 February 1975 on the approximation of the laws of the Member States relating to collective redundancies (*Official Journal* L 048, 22/02/1975, pp. 29-30, no longer in force); Council directive 77/187/CEE of 14 February 1977 on on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of businesses (*Official Journal* L 61, 6 March 1977); Third Council Directive 78/855/EEC of 9 October 1978 based on Article 54(3)(g) of the Treaty concerning mergers of public limited liability companies (*OJ* L 295, 20 Octobre 1978); Council Directive 80/987/EEC of 20 October 1980 on the approximation of the laws of the Member States relating to the protection of employees in the event of the insolvency of their employer (*Official Journal L 283 , 28/10/1980, pp. 0023 – 0027) (no longer in use)*. The proposal for a 'Draft Fifth Company Law Directive', primarily aimed to implement a right of employees to vote for the boards of directors in large companies, went through three major revisions between 1972 and 1988, but was never agreed to come into law by enough member states. Jacques Vandamme, Information and Consultation of Employees in Community Law relating to Changes in Undertakings and to the Statute of Companies, in idem (ed.), *Employee Consultation and Information in Multinational Corporations*, London: Croom Helm, 1986, 119-29.

[796] HAEU, GSPE-049-FR, 'Dalla schiavitù salariale alla partecipazione', Henk Vredeling, 27 December 1968, pp. 46-67 (the document is translated from Dutch to Italian). "In queste aziende agricole dovrebbe essere possibile reallizzare una forma democratica di cogestione che consentirebbe anche ai lavoratori agricoli la partecipazione alle grandi unità di produzione agricole. Cosi la popolazione agricola potrebbe passare da una indipendenza soltanto apparente e dalla schiavitù salariale a una partecipazione alla produzione Agricola" (p.22).

compared to their competitors – raised abundant discussions first between the DGV and the DG III Industrial Affairs (headed by the Belgian Christian-democratic businessman Etienne Davignon), and later at the Collegium level.

Commissioners such as Davignon, the French Gaullist Commissioner Ortoli, the German Liberal Guido Brunner and the British Conservative Christopher Tugendhat, argued forcefully in favour of a non-binding decision, challenged the principle of co-decision, suggested that a framework directive would be more appropriate than a directive, warned that the economic context (after the second oil shock) was inadequate and that employers would oppose such a proposal, recommended targeting subsidiaries instead of headquarters, brandished the need to protect the firms' strategic information, argued that relying on international organisations such as the ILO or OECD was more suitable and that the decision would entail the risk of encouraging Third World countries to adopt similar legislation, therefore harming European MNCs, and so on.[797]

Despite these overwhelming criticisms and points of reticence, very surprisingly, the Commission eventually adopted Vredeling's proposal. Important clues that might explain this can be found in a recent testimony of the then Director General of the DGV, Jean Degime, who considered that the Commission's vote was somehow a retirement gift to Vredeling, a way to "allow Vredeling to leave with an important feather on his hat". He explains:

> The discussion was going round in circles, and I had the feeling that the Commissioners were very reluctant – at least some of them. But at the same time, it was Vredeling's last session, and we knew that the opportunity wouldn't come back. … Then Davignon came to see me and said: "What should we do? We could at least give this to Vredeling. I am conscious of the limits of the affair, but we can still start." Eventually, I told him: "At any rate, the file as it stands now is only at its first stage anyways; there is the whole Council procedure coming, you can imagine!" – and thus everything was passed.[798]

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[797] For a detailed account of the discussions that took place within the Commission in 1979-80, see Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 109–13.

[798] Degimbe, who was present when the decision was taken, explains that Vredeling had already to his credit the 1975 directive on collective dismissal, that the decision was taken at the last session of the Jenkins Commission, and Vredeling's last session. "It was a goodbye; and it lasted for twenty years". HISTCOM.2, *Histoire interne de la Commission européenne 1973-1986,* Entretien avec Jean Degimbe par Pierre Tilly, 13 July 2010.

The Vredeling proposal was therefore adopted by the Commission both to do a favour to its conceptor and on the assumption that it would never pass through the Council. Thereafter, the directive proposal 'for a council directive on procedures for informing and consulting the employees of undertakings with complex structures, in particular transnational undertakings' – famously known as the 'Vredeling directive' – was passed on to the Council on 23 October 1980.[799]

The proposal did not go so far as to include co-decision powers for workers; it was limited to introducing information and consultation procedures. In this sense, it was much less far-reaching than all the co-management and self-management projects that had been envisaged by European socialists in the previous decade. Nevertheless, the directive was very ambitious in several respects. First, it applied to all MNC with more than 99 employees within the EC and all Community companies which employed more than 99 workers in one of their subsidiaries within the EC. Second, these companies were subject to obligations of disclosure (regarding the firms' economic situation, production, investment, restructuring projects, the introduction of new work methods and technologies, and so on) and obligations of consultation on demand on all decisions 'likely to substantially affect workers' interests' (including closedowns or transfers, important organisational changes, mergers, and so on). Third, and perhaps most ambitiously, the directive had an extra-territorial application, the 'by-pass clause', which provided that workers' representatives could engage in direct consultation with the company's headquarters in case the subsidiary did not provide the necessary information, even if the headquarters was located outside the Community. In other words, it sought to make MNCs' headquarters accountable to workers' representatives in their subsidiaries.[800]

The Commission proposal attracted a torrent of controversy and unleashed a ferocious reaction from employers' organisations, business circles and Conservative-Liberal forces, which denounced the text – in particular its by-pass clause – as a " true

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[799] HAEU, BAC 42/1988/1611, "Proposition de directive sur l'information et la consultation des travailleurs des entreprises à structure complexe, en particulier transnationale", 23 Octobre 1980, doc. COM (80) 423 final.

[800] However the directive remained relatively flexible in its application, as member States could adapt freely their national legislations to the directive, for instance regarding the nomination of workers' representatives. They were however obliged to provide for sanctions in case of companies non-abiding to the directive or in case of employers' representatives not respecting confidentiality. For an in-depth examination of the text see François Vandamme, "The proposal of a Directive on procedures for informing and consulting the employees of undertakings with complex structures, in particular transnational undertakings", in Vandamme, *Employee Consultation & Information in Multinational Corporations*, 149–83.

revolution".[801] Several authors have already documented the intense lobbying efforts that European, American and international business circles hurled at the Commission, Council and the right-wing Groups of the EP (since Vredeling decided to start the negotiation procedure with a consultation of the EP).[802] Degimbe described the months and years that followed the Commission proposal as "a very long battle". Several sessions were organised between the Commission services and the social commission of the UNICE.[803] In February 1981, the UNICE released a document that firmly dismissed the text as 'unacceptable'. According to the employers' organisation there was no evidence for the need for a Community mechanism on the issue (the OECD and ILO non-binding approach was sufficient), the directive would undermine the 'authority' of management, threaten the competitiveness of undertakings within the EC, introduce discrimination between transnational and national companies and between MNCs that operated in the EC depending on whether their headquarters were located inside or outside the Community, and so on.[804]

The archives of the Commission are filled with letters, often addressed to Davignon, who was close to business circles, and position statements from European, American, Japanese MNCs and government officials.[805] MNC leaders were generally

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[801] The term was use by the then Director General of the DGV Social Affairs of the European Commission, Jean Degimbe, during an interview with the author in November 2014 in Brussels. He explained the US government and the international business circles perceived the Commission's directive proposal as "a true revolution".

[802] For instance Francesco Petrini, "Demanding Democracy in the Workplace: The European Trade Union Confederation and the Struggle to Regulate Multinationals," in *Societal Actors in European Integration*, ed. Wolfram Kaiser and Jan-Henrik Meyer (London: Palgrave Macmillan, 2013), 160; Gobin, "Consultation et Concertation Sociales À L'échelle de La Communauté Economique Européenne," 591–620; Juliet Lodge, "Social Europe: Fostering a People's Europe," in *The European Community and the Challenge of the Future*, ed. Juliet Lodge (London: Pinster, 1989), 312.

[803] HISTCOM.2, *Histoire interne de la Commission européenne 1973-1986,* Entretien avec Jean Degimbe par Pierre Tilly, 13 July 2010. See the preparatory notes and minutes of these meetings in AHCE, 42/1988_1613.

[804] AHCE, 42/1988_1613, 'Prise de position sur la proposition de directive' and 'Press release' by the UNICE, 12 February 1981. On the employers' position, see Etienne Arcq, "L'UNICE et la politique sociale communautaire", in Mario Telò and Corinne Gobin, eds., *Quelle Union Sociale Européenne?: Acquis Institutionnel,Acteurs et Défis*, Etudes Européennes (Bruxelles: Editions de l'Université de Bruxelles, 1994), 325–41. See also Xavier Mabille, "La Proposition Vredeling," *Courrier Hebdomadaire Du CRISP*, no. 22 (1984): 1–41; Petrini, "Demanding Democracy in the Workplace," 155–58.

[805] For instance in AHCE, 42/1988_1613, 'Letter to Etienne Davignon from Maurice Hodgson, Chairman of the Imperial Chemical Industries Limited', 18 July 1980; AHCE, 42/1988_1750, 'Letter from Akio Morita, Chairman CEO of Sony Corporation, to Etienne Davignon', 14 May 1982 and 'Letter from B. Sassen (Secretary General of UNICE) to Ivor Richard', 3 September 1982; AHCE, 42/1988_1750, 'Note for the attention of Mr. Narjes on the Visit of Japanese Ambassador regarding the Vredeling Directive' (not dated) and 'Note for the attention of Mr. Narjes on the views of Confederation of the British Industries (CBI) and the Institute of Directors (ID) concerning the fifth directive and 'Vredeling' proposal' (not dated).

expressing their serious concerns that the text would complicate industrial relations – how could they organise consultations with trade unionists from so many different countries, including communist unions? Would they not end up being confronted with some sort of 'soviet assemblies'?[806] Above all, the by-pass clause and the fact that workers' representatives could engage legal procedures in case of non-compliance by the firms raised fierce indignation. The case was also quite widely covered in the European business press.[807]

The American lobby was particularly intense and efficient. Director General Degimbe and Commissioner Richard both recall being subjected to constant questioning on that case, and having to go several times to Washington and New York during the early 1980s to defend the proposal before American officials and business representatives.[808] American companies and government fiercely rejected the by-pass clause, and argued for instance that the directive would force them to release sensitive information regarding their economic strategies and practices, and that the internationalisation of collective bargaining would complicate their operations. The International Chamber of Commerce, the National Foreign Trade Council in New York and the American Chamber of Commerce in Brussels declared that the directive would have a negative effect on US investment in Europe.[809] In the US Congress, several bills were introduced to shield US firms from the directive – aiming, for instance, to allow the US government to retaliate against foreign investment in the event of restrictions imposed on American companies abroad.[810] Another bill introduced by the Democratic Party Congressmen Thomas A. Luken and John Dingell intended to protect American firms from having to disclose confidential business

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[806] HISTCOM.2, *Histoire interne de la Commission européenne 1973-1986,* Entretien avec Jean Degimbe par Pierre Tilly, 13 July 2010.

[807] For instance 'Why EEC company law proposals alarm directors in Britain', *Financial Times*, 5 August 1982.

[808] Degimbe recalls a meeting in Washington with his assistant and a member of the Cabinet when Vredeling was still at the Commission, which started at 9:30am and went on uninterruptedly until 3pm. He also recalls a very long session of three to four hours in Brussels with the American Chamber of Commerce. HISTCOM.2, *Histoire interne de la Commission européenne 1973-1986,* Entretien avec Jean Degimbe par Pierre Tilly, 13 July 2010; Tilly and Schirmann, "Free Movement of Workers, Social Rights and Social Affairs," 363.

[809] Petrini, "Demanding Democracy in the Workplace," 157. On US reactions, see also Bennett Harrison, "The International Movement for Prenotification of Plant Closures," *Industrial Relations: A Journal of Economy and Society* 23, no. 3 (1984): 395–96 François Vandamme, "The proposal of a Directive", op. cit. 168-169.

[810] Walker, "The Vredeling Proposal."

information under foreign legislation; its authors even exerted direct pressure on the Commission.[811]

As for European governments, the main actors within the Council were either hostile or quite reluctant. The British government fiercely and persistently opposed the project, and worked hand in hand with British business circles to undermine the Commission's proposal. The French government under Giscard was lukewarm. Even after Mitterrand came to power in 1981, the socialist government remained rather uncommitted on the issue, and insisted much more on the reduction of working time. The German government was strongly divided on the issue. While the Liberal Minister for Economy Lambsdorff was stiffly opposed, the SPD Labour Minister Herbert Ehrenberg was more open. But the question of the compatibility of the directive with German *Mitbestimmung* laws further complicated the problem.[812]

In European trade union and transnational socialist circles, on the contrary, the Commission proposal was warmly welcomed. The ETUC's reaction was enthusiastic. It saw the directive as the accomplishment of years of efforts, as an important complement to the codes of conducts adopted by the OECD and the ILO, and as a first step towards the implementation of its claims. Although it deemed some aspects disappointing, like the fact that the text did not provide for mandatory creation of transnational consulting bodies, the binding nature of the directive and the by-pass clause were especially important to the ETUC. The ICFTU also expressed its support for the directive, especially because of its innovative binding nature.[813]

Several authors have underlined the European trade unions' incapacity to organise efficient counter-lobbying to ensure the adoption of the text.[814] Therefore, although in December 1980, the ETUC decided to set up an *ad hoc* working party to

[811] AHCE, 42/1988_1751, 'Congressional Record Statement of the Hon. Thomas A. Luken, Member of Congress. Speech for his HR 1532 Bill on Vredeling legislation' ; 'US 98th Congress, H.R. 1532 Bill introduced by Luken (for himself and Mr. Dingell)', 17 February 1983 ; 'Letter from John D. Dingell (Chaimran Subcommittee on Oversight and Investigations, Committee on Energy and Commerce) and Thomas A. Luken (Member Committee on Energy and Commerce) of the US House of Representatives (Congress) to Ivor Richard, Commissionner for Employment, Social Policy and Education', 3 March 1983 ; 'Telegram from EC Washington Delegation to Braun, DGIII, 25 March 1983, on US legislation on the Vredeling Directive'.
[812] Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 115–116 and 118.
[813] Ibid., 115.
[814] For instance Petrini, "Demanding Democracy in the Workplace"; Udo Rehfeldt, "Les Syndicats Européens Face à La Transnationalisation Des Entreprises," *Le Mouvement Social* 162 (1993): 69–93; Juliet Lodge, "Social Europe: Fostering a People's Europe," in *The European Community and the Challenge of the Future*, ed. Juliet Lodge (London: Pinster, 1989), 312.

coordinate action at European and national level to ensure the adoption of the directive, it only organised information campaigns and demonstrations, and failed to efficiently target national and EC-level decision-makers. National trade unions, which generally supported the proposal, failed to implement efficient lobbying strategies. In France for instance the CFDT merely focused on expressing its criticism on some aspects of the text proposal, especially the fact that the creation of transnational consultative workers' councils should have been mandatory.[815]

Although it is undeniable that European trade unions were less prepared and efficient than business circles when it came to lobbying strategies, this explanation alone is insufficient to understand the defeat of the Vredeling directive. Arguably, the failure of the socialist parties of the EC to establish themselves as a real sister party for the European trade unions and to support the Vredeling directive in the EP was one of the key reasons for this epic defeat. Warlouzet argued that the ETUC and its members failed to lobby the Council and EP, except for the German DGB that tried to influence the EP through some German Socialist MEPs like Vetter, who was a former president of the ETUC and a leader at the DGB.[816] In fact, the ETUC repeatedly asked throughout the years to be more closely associated to, and supported by, the SGEP; a claim that was fully supported by the socialist Group. From June 1976 the SGEP decided to create a working party "on cooperation with the ETUC".[817] In early 1982, the SG created a small liaison body with the aim of maintaining permanent relations with the ETUC, other European unions and national unions of the member States. Following a series of contacts between the SG and national and European leaders of the ETUC, the ETUC decided at its Hague Congress to enhance its relations and to ensure constant dialogue and collaboration with the EP, which it thereafter considered its main political interlocutor at Community level.[818]

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[815] Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 116. The German DGB also released several official complaints in 1981 and 1982 against the mass business lobbying that was taking place under its eyes, from both sides of the Atlantic.

[816] *Idem.*

[817] This 'liaison committee' was intended to establish permanent contact between the ETUC and the SGEP, to coordinate their actions on the basis of the objectives put forward by the unions, to organise meetings including members of the SGEP, of the ETUC and socialist members of the Commission in order to put forward common initiatives. HAEU, GSPE-061-FR-A, 'OJ réunion de la commission des affaires sociales et de la commission des affaires économiques et monétaires du 15 juin à Strasbourg' (PE/GS/127/76), p. 13; HAEU, GSPE-061-FR-A, 'PV des réunions du GS des 7, 8 et 9 septembre à Munich' (PE/GS/173/76), pp. 178-183. MEPs Adams, Carpentier, Glinne and Prescoot were in charge of coordinating contacts with ETUC.

[818] AHEU, GSPE-072-EN-05, PE/GS/211/82 'Note to members of the SG on relations with the European trade union movement' by M. Dido', 19 July 1982, pp. 13-18.

The SGEP had repeatedly expressed its support since the late 1960s for the idea of increasing 'economic democracy' in the EC through greater participation of workers in economic management at firm and at EC level. During the discussions on the European company, the SGEP had insisted on the institution of tripartite European Works Councils.[819] In 1974 it had supported the Commission's 'Communication on multinational undertakings'. It also strongly supported the 'Fifth Directive' proposal, especially regarding co-decision of workers in European firms.[820] The Group had in fact pushed studies on this issue, showing great interest in the various existing models of co-management and self-management in Europe. For instance, the Group organised one of its meetings in Portoroz (Yugoslavia, presently Slovenia) to discuss models of industrial democracy in 1975 – an internal report described the Yugoslav model of workers' management as a model of democratisation and redistribution ('towards a classless society').[821] In 1976, several socialist MEPs went to visit Hoogovens, a large steel producer located near Amsterdam, to investigate the Dutch system of workers' participation in works councils implemented since 1971.[822] Although the question of the concrete terms of the application of workers' 'participation' had given rise to endless discussions between the socialist parties, the 1973 'Bonn theses' and the 1978 'Electoral Platform' included the principle as one of the Group's main claims. In September 1980, before the Vredeling directive was released, the Group put an oral question pressing the Commission to submit its proposal.[823]

Once the proposal was out however, the Group dramatically failed to defend the text's key advances both in the parliamentary committee and the plenary debate. Yet, before the fall of 1982, the context was rather favourable to the directive. The

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[819] HAEU, GSPE-057-FR-A, 'Procès verbal des réunions du GSPE des 4 et 5 juillet 1974', pp. 436-442; HAEU, GSPE-053, 'Note sur les problèmes de la cogestion dans le statut d'une société commerciale européenne', 9 February 1972. pp. 70-71.

[820] HAEU, GSPE-058-EN, 'Minutes of the meetings of the SGEP of 9-12 December 1974', pp. 88-89; HAEU, GSPE-053, 'PV réunion commune groupe de travail chargé des questions économiques et sociales et groupe de travail questions politiques et juridiques', pp. 81-83.

[821] HAEU, GSPE-058-EN, PE/GS/224/75, 'Draft summary report of the meeting of the SGEP held on 5 and 6 May 1975 in Trieste and on 7 May in Portoroz', pp. 303-309; HAEU, GSPE-058-EN, 'Memorandum on the System of worker management in Yugoslavia', by Jan D. Kurlemann, 4 April 1975, pp. 200-202. The memorandum refered to Workers' Councils in Yugoslav undertakings, the highest decision-making body, which was elected and which elect the Director, the executive staff and Management Committee.

[822] Kristian Steinnes, 'The European Turn and 'Social Europe': Northern European Social Democracy 1950-1985', in Kaal, "Constructing a Socialist Constituency. The Social Democratic Language of Politics in the Netherlands, c. 1890-1950," 363–84.

[823] HAEU, GSPE-069-EN, 'Oral question by H.O. Vetter on the Commission proposal for a Directive on information and consultation of workers' (PE/GS/212/80), September 1980, p. 184.

Social Affairs Committee of the EP adopted a very promising report, so did the Economic and Social Committee, and there seemed to be broad consensus in the Council on the need for EC legislation on the topic (except for the British government).[824] In 1981, the SGEP had organised meetings with socialist members of the Commission and with the ETUC to discuss the proposal and strategies to support it.[825] Facing concerns that the new Commissioner for Social Affairs Ivor Richard would be less favourable to the project, it promptly organised a meeting with him to explain the SGEP-ETUC position. During this meeting, Richard expressed his support for the text but argued that the EP needed to adopt a position that was likely to be adopted by the Council – between the lines encouraging a relative watering down of the directive.[826] The SGEP was aware that the battle in plenary would be difficult. Given the right-wing majority of Conservatives, Christian democrats, Liberals and Gaullists dominating the EP, it decided that Socialist MEPs would have to work very hard to persuade members of other groups – primarily Christian democrats.[827]

Whatever persuasion strategy the SGEP put into action towards MEPs from other groups, it had very scant results. The Social Affairs Committee soon seemed to be shifting its position after a change of composition. The rapporteur in charge of drafting the report on the Commission's proposal was the British Tory and member of the EDG Tom Spencer.[828] The situation was much aggravated by the increasing

[824] AHPE, PE1 AP ASOC.1979 RP A1-0324/82-0010, 'Rapport sur la proposition de la Commission concernant une directive sur l'information et la consultation de travailleurs des entreprises à structure complexe, en particulier transnationales', 14 June 1982 and AHPE, PE1 AP ASOC.1979 RP A1-0324/82-0010-0020, 'Rapport sur la proposition de la Commission concernant une directive sur l'information et la consultation de travailleurs des entreprises à structure complexe, en particulier transnationales', July 1982. The reports adopted in June and July by the Social Affairs Committee enhanced and improved – from the unions' perspectives – the proposal. Petrini, "Demanding Democracy in the Workplace," 160.

[825] HAEU, GSPE-071-EN-05, PE/GS/150/81, 'Communication from Ien van den Heuvel to the Bureau of the SG', 13 May 1981, pp.12-15. Note drafted after the general discussion that took place on 10 March between the Group's Bureau and the socialist members of the Commission.

[826] During the meeting, Richard explained that his attempt to establish talks between ETUC and UNICE had been unsuccessful. HAEU, GSPE-071-EN-07, 'Summary Report of the meeting between the Socialist members of the Committee on Social Affairs, the Committee on Economic Affairs and the Legal Affairs Committee and Mr Ivor Richard, Member of the Commission', 17 July 1981 in Strasbourg (PE/GS/211/81), pp. 43-47.

[827] *Ibid.* They also mentioned the idea of putting financial pressure on MNCs, for instance by threatening to cut access to Social Fund aid, but this idea was most probably never put into practice.

[828] HAEU, GSPE-071-EN-10, pp. 114-117, 'Draft Summary Report of the meeting of Coordinators held on 8 December 1981 in Brussels' (PE/GS/331/81); HAEU, GSPE-071-EN-09, pp. 4-6, 'Draft summary report of the meeting of coordinators held on 6 October 1981 in Brussels' (PE/GS/258/81). The Legal Affairs Committee issued a favourable opinion (its rapporteur was Vetter) but its members tabled 80 amendments; the opinion of the Economic Committee (rapporteur von Birsmark) was much less favourable.

problem of absenteeism of socialist MEPs in parliamentary Committees' sessions.[829] In the Social Affairs Committee that included nine members of the SGEP, for instance, out of the eleven sessions that took place between November 1981 and February 1982, none was attended by all socialist members. Two members attended only once, one member attended only six sessions, three members attended eight sessions, one member attended nine sessions, and two members attended ten sessions. Absenteeism was high in the Economic and Monetary Affairs committee too, and somewhat less in the Legal Affairs Committee, although five out of eight members attended only half of the meetings or less.[830] A few days before the debates started in September, the SPEC Bureau therefore decided to strongly urge its MEPs to attend all sessions, and announced it would adopt sanctions against members who would not take part in the vote – they would be barred from speaking in plenary discussions for three months.[831]

The multi-level lobbying battle staged against the directive by business circles obviously included strong pressure on MEPs. For instance, the Confederation of British Industry, the main employers' organisation in the UK, developed a pressure strategy targeting European commissioners and British Conservative MEPs, while at the same time encouraging British MNCs to exert similar pressure. In February 1981, British and German employers' representatives met with right-wing MEPs (EDG) to make clear their grievances with the proposal. In 1982 furthermore, the UNICE officially asked all its member federations to lobby British MEPs before the debates in July 1982. This was most likely a strategy implemented by all European and American employers' organisations.[832]

The socialist Group, on the contrary, was not targeted by this kind of direct

[829] HAEU, GSPE-071-EN-10, pp. 114-117, 'Draft Summary Report of the meeting of Coordinators held on 8 December 1981 in Brussels' (PE/GS/331/81).

[830] HAEU, GSPE-072-EN-01, pp. 1-8, 'Confidentiel. Présence des membres socialistes aux réunions durant 1981', 7 janvier 1982 (PE/GS/1/82/rev.). Nine members out of which two (Charzat and Duport) attended only one meeting, one (Albens) attended 6 meetings, three (Dido', Peters, Salisch) attended 8 meetings, one (van Minnen) attended 9 meetings, and two (Boyes, Clwyd) attended 10. The suppléants (9) attended in total 12 times (Vernimmen 6).

[831] HAEU, GSPE-072-EN-05, pp. 85-89: PE/GS/223/82 'Draft minutes of the Bureau meeting 6 September 1982 in Vouliagemeni, Greece'.

[832] Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 116–18. See also AHCE, 42/1988_1750, 'Letter from J. Solvay, CEO Solvay and Cie, to Gérard Deprez, President of the Belgian PSC (Partic Social Chrétien)', 1st September 1982. This letter illustrates the multi-level anti-Vredeling lobbying carried out by European business circles: not only towards the Commission, Council and EP, but also at national party level, in order to get parties to boycott the directive in the EP.

lobbying by business circles. Its members were nevertheless subject to pressures coming from US Congress deputies. Inter-parliamentary relations had been established between the EP and the US Congress since 1972.[833] In November 1981, a delegation from the US Congress visited Brussels for an exchange of views with MEPs on several topics, among which was the control of MNCs. Another EP-US Congress meeting took place in The Hague in January 1982 in which American deputies expressed their opposition to the Vredeling directive.[834] In June 1982 another meeting between the EP and the US Congress took place in Washington and San Francisco, in which "Europeans have been warned that the entry into force of this directive could have serious repercussions on investment by American firms in the Community. Great significance is attached to the opinion of the EP". The American Chamber of Commerce also had the opportunity during that meeting to express its great concerns about the Vredeling directive.[835] It is not inconceivable that these pressures affected the behaviour of socialist MEPs.

Once the debates started in the chamber in September 1982, the attitude of Socialist MEPs nearly resembled self-sabotage. MEPs had tabled nearly 300 amendments, most of which came from the majority, to dismantle the scope of the directive. The first debates took place on 13 and 14 September. They lasted all day and signalled the tussle to come, after which the EP voted deferment to the next session in October.[836] Debates were resumed on 12 October; the amendments were first presented then put to vote, and occasioned complete chaos in the SG. Although the SG had initially thought it would be more strategic not to ask for a roll-call vote regarding the directive (so as to enable allies among Christian democrats to discreetly support the directive), given its alarming absenteeism problem it was eventually

[833] HAEU, GSPE-071-EN-06, 'Information document on EP-US Congress joint delegation in Washington' (PE/GS/190/81).

[834] HAEU, GSPE-071-EN-10, pp. 23-25: 'Draft record of the meeting of the Bureau of the SG held in Starsbourg on 18-19 November 1981' (PE/GS/298/81); HAEU, GSPE-072-EN-01, pp. 21-23, 'Draft summary report of the meetings of the SG in Brussels, 13-14 January 1982' (PE/GS/8/82). The report mentions that an American propaganda film had been made against the directive; HAEU, GSPE-072-EN-02, pp. 17-26, 'Report by Norbert Gresch and Jean-Pierre Simon on the 19th meeting between the EP Delegation and the United States Congress held from 6 to 10 January 1982 in the Hague', 9 March 1982 (PE/GS/70/82).

[835] HAEU, GSPE-072-EN-05, pp. 54-68, 'Report on the 20th meeting between the delegation from the EP and the USC of 21-27 June 1982 in Washington and San Francisco' (PE/GS/218/82), here p.61.

[836] AHPE, PE1 AP DE/1982 DE19820913-03-9900, 'Séance du 13 septembre 1982'; AHPE, PE1 AP DE/1982 DE19820914-03-9900, 'Séance du 14 septembre 1982'; AHPE, PE1 AP DE/1982 DE19820914-04-9900, 'Séance du 14 septembre 1982 (suite).

forced to demand the roll-call.[837] Prior to the vote, again, the Group's Bureau insisted several times that the presence of all Socialist MEPs was required, announcing that members absent without a good reason would be subject to sanctions, and agreed to support a number of the amendments tabled by the French and Italian Communists.[838]

Despite these precautions, most right-wing amendments were passed, whereas the amendments tabled by Socialist and Communist MEPs were almost systematically rejected. At the end of the day, during a suspension of the debates before the vote on the resolution as a whole, the Group held an emergency meeting to decide how it should vote. Most members were first inclined to reject the amended directive (37 against, 4 in favour, 31 abstentions) then after an exchange of views a majority decided to abstain.[839] They did not have time to vote anyway, as the vote took place whilst the SG was still in its meeting, which obviously reduced even further the Left's minority in votes and made for a very bad impression of the SG's commitment in the EP. Many Communist MEPs were absent too.[840] When they came back, the Socialists and Communists protested that their meeting room was too far, that the translators took some time to arrive, but the Chamber did not agree to retake the vote. MEP Barbara Castle protested that the EP was "not at all a serious democratic body".[841]

By the end of the sitting, the SG and all the left hemisphere had suffered a humiliating defeat, not least because of that incident, because of its lack of coordination on votes, and because of the significant number of absentees. After the vote, the President of the Group, the Belgian Ernest Glinne, was so helpless that he announced his resignation – only to resume his functions after a few hours.[842] The incident also aroused indignation from trade unions. The European Union of Metal Workers and other unions requested the Group to set up a committee of inquiry to look into the influence and pressure possibly exerted in connection with the adoption

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[837] HAEU, GSPE-072-EN-03, pp. 25-27, PE/GS/131/82 'Draft summary report of the meeting of Coordinators held on 4 May 1982 in Brussels'; HAEU, GSPE-072-EN-05, p.112: PE/GS/234/82 'PV SG meeting 13 September 1982'.

[838] HAEU, GSPE-072-EN-05, p.112, PE/GS/234/82 'PV SG meeting 13 September 1982'.

[839] HAEU, GSPE-072-EN-06, p. 50 PE/GS/258/82 'Draft summary report of the meeting of the SG on October 12, 1982 in Strasbourg'.

[840] AHCE, 42/1988_1750, Commission of the EC, DGIII, 'Mission report on the vote on 'Vredeling' directive in EP', 12 October 1982.

[841] Barbara Castle's intervention in AHPE, PE1 AP DE/1982 DE19821012-05-9900, 'Séance du 12 Octobre 1982'.

[842] AHEU, GSPE-072-EN-06, pp. 95-96, PE/GS/227/82 'PV meeting of the SG October 14, 1982 in Strasbourg. Incident in plenary during the vote on the Vredelng directive'.

of the Vredeling Directive.[843]

The battle was not over yet, as the Social Affairs Committee had obtained deferment of the amended resolution for re-examination; a new report was to be drafted before the final vote.[844] The Bureau thereafter decided to exert pressure on its national parties to make sure that members would be present during the final vote and that members absent with no good reason would be denounced to the ETUC; it decided to reject all amendments in the second vote.[845] The deferment however, did not allow the Commission's proposal to be saved. The new report confirmed the majority position taken by the Chamber.[846] The final vote took place on 14 December 1982 and the amended resolution was adopted by a crushing majority (307 voting: 162 for; 61 against; 84 abstentions).[847] The adopted text included amendments that drastically undermined the ambitious features of the original Vredeling proposal – for example by reducing how many times the firms were to release information (once a year instead of twice), significantly decreasing its scope of application (1000 employees instead of 100), and above all by neutralising the famous by-pass clause.

During the final vote, even though all socialist MEPs expressed strong disappointment and disagreement with the amended text, the Group's decision was to abstain – arguing that they hoped that the Commission would resubmit a binding directive. The French Socialist MEP Jacques Moreau regretted: "*Le Parlement européen aurait pu faire de ce débat un grand moment dans l'histoire de notre législature. Surmontant les craintes plus ou moins justifiées et les pressions diverses dont il a fait l'objet, il aurait pu adopter un texte qui aurait marqué une étape dans l'avancée de la démocratie industrielle et économique au sein de la Communauté. Tel n'est pas le cas. La majorité de cette Assemblée, cédant à des réflexes de conservation, a préféré opter pour le profil bas et supprimer ou atténuer les aspects les plus novateurs de la directive de la Commission*". Some socialist MEPs, like the British Labour MEP Enright, voted against the amended text resolution. So too did

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[843] AHEU, GSPE-072-EN-07, PE/GS/301/82 'PV SG meeting 18 November 1982'.
[844] AHPE, PE1 AP DE/1982 DE19821012-05-9900, 'Séance du 12 Octobre 1982'.
[845] HAEU, GSPE-072-EN-06, 'Draft summary report of the meeting of the Bureau of the SG on 5 and 6 October 1982 in Copenhagen', pp. 24-27.
[846] AHPE, PE1 AP ASOC.1979 RP A1-0324/82-0001, 'Rapport sur la proposition de la Commission des CE au Conseil concernant une directive sur l'information et la consultation des travailleurs', July 1982.
[847] AHPE, PE1 AP DE/1982 DE19821214-04-AHPE, 9900, 'Séance du 14 décembre 1982 (débat et explication de vote); AHPE, Pe1 AP PV/SEANCE SEAN-19821213-0020, 'Séance du 14 décembre 1982 (vote)', pp. 9-19.

the communist group – French and Italian alike. The French communist MEP Frischmann asserted: "*Le mal est donc fait, cette Assemblée a perdu la seule grande occasion de voter une initiative sociale favorable aux travailleurs et qui n'était pas du tout révolutionnaire*".[848]

European trade unions, including the TUC, expressed their disappointment. Employers organisations, the UNICE above all, rejoiced.[849] In November, after the first vote, Richard had announced that the Commission would take the EP vote into consideration and would present an amended text.[850] Commissioners like Haferkamp, Narjes and Ortoli took the opportunity to demand revisions in favour of European firms' 'competitiveness'.[851] The watered-down version presented by the Commission on 15 June 1983 followed the EP's majority opinion on the essential points.[852] The ETUC saw it as a capitulation, but still continued to support the amended directive. Despite some marginal efforts by left-wing MEPs to put the debate back on the agenda, the EP was not consulted on the amended text.[853] The project was essentially buried with the 1982 EP vote, although it continued to be discussed in the Council in the following years. The Council would probably never have adopted the directive in its initial version anyway, as its adoption required unanimity. Yet British opposition remained unchanged throughout the 1980s, the Right had come to power in Germany in 1982, and the only governments that (flaccidly) supported the project after 1983 were France, Greece the Netherlands, and to a lesser extent Italy and Belgium. The ETUC's attempt to re-direct its lobbying efforts towards national governments did not bear fruit. Moreover, the international business lobby continued to unswervingly pressure EC institutions and governments to have the directive shelved altogether.[854] In May 1986, the European Council decided to put discussions on the Vredeling

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[848] AHPE, PE1 AP DE/1982 DE19821214-04-AHPE, 9900, 'Séance du 14 décembre 1982 (débat et explication de vote).
[849] Petrini, "Demanding Democracy in the Workplace," 170.
[850] AHPE, PE1 AP DE/1982 DE19821117-03-9900, 'Séance du 17 novembre 1982'.
[851] Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 117.Warlouzet, p.117.
[852] AHCE, 42/1988_1611, 'Proposition modifiée de directive sur l'information et la consultation des travailleurs (présentée par la Commission au Conseil, 8 juillet 1983, COM (83) 292 final'.
[853] For instance, a motion for a resolution tabled by MEP Adam on behalf of the SG asking that the EP should be consulted on the new text was rejected by the EP. AHPE, Pe1 AP PR B1-0707/83-0010, 'Proposition de résolution présentée par M. Adam'; AHPE, PE1 AP DE/1983 DE19830915-11-9900, 'Séance du 15 Septembre 1983'; see also AHPE, Pe1 AP QP/QO O-0057/83-0010, 'Question orale avec débat au nom du groupe Communiste et apparentés à la Commission des CE'.
[854] Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 119–21; Petrini, "Demanding Democracy in the Workplace," 170.

project on hold until 1989, calling on management and labour to continue their own negotiations on the question.

The European Left – trade unions and parties alike – had exposed their utter inability to impact EC decision-making and, by extension, to build a 'Social Europe'.

4. Conclusion

The late 1970s and early 1980s therefore saw what could be described as the defeat of the European Left's 'Social Europe' project. This defeat was the consequence of the downfall of the social democratic momentum of the 1970s, both at the level of Western European governments and of EC institutions – to the advantage of the liberal and conservative Right. It was also imposed by the increasing popularity of 'austerity' and 'neoliberal' solutions amongst right-wing actors and business circles. In the late 1970s, European leaders were adopting policies that ran in opposition to the 'socialist alternative' imagined by European socialists during the previous years – fiscal prudence, budgetary cuts and deflationary policies took the lead and dismissed the policies of increased public spending, reflationary policies geared to the satisfaction of collective needs, increased state intervention in economic and social policies, investment control, and so on. The new EMS was a case in point.

The window of opportunity that had opened during the 1970s with the dismantling of the postwar 'order' was closing. In its place, a new regime was emerging that consecrated increased competition, globalisation, liberalisation and deregulation and was leading to increased inequalities.[855] This new regime had very little to do with what the European Left – or the 'Third World' countries – had hoped for.

After a failed attempt to explore Eurocorporatist solutions for a new 'social pact' at EC level, left-wing forces – the parties and unions of the SPEC and the ETUC ahead – tried to pass some of the proposals they had formulated in previous years as part of its European socialist alternative to surpassing the 'crisis'. The battles waged at EC level for the reduction of working time (as part of a broader alternative macro-economic policy to fight unemployment relying on increased state intervention, public spending and social and economic planning) and for a directive on the consultation

[855] Regarding increased economic inequalities since the 1970s, Piketty and Goldhammer, *Capital in the Twenty-First Century*.

and informing of workers in multinational corporations (which touched the broader attempts to democratise the economy and shield European workers from the negative consequences of the ongoing economic globalisation) ended in absolute defeats. They painfully highlighted the transnational European Left's inability to position itself as a motor for European integration and to propose an alternative – 'Social' – Europe.

These two defeats were not only emblematic of the Left's powerlessness. They also had long-lasting consequences for the political economy of the EC, and later the EU. First, they confirmed the inability of European social-democratic and socialist parties to build a solid alliance with European trade unions and other left-wing forces and worsened their relations. Although unsuccessful, the attempt by the Socialist parties of the EC to seal an 'alliance of all democratic forces' (instead of an alliance of the Left) for a 'Social Europe', had important and long-lasting consequences. It led them to progressively commit more resolutely to the EC and to turn increasingly systematically to the centre and right-wing parties for common solutions, therefore abandoning their more radical claims. This in turn had a deteriorating effect on the prospects for a 'socialist' type of European integration. Second, they inflicted a sort of 'trauma' on the European union movement and the left-wing actors within EC institutions as they highlighted the power of the reaction business circles and right-wing forces were capable of marshalling, and discouraged subsequent attempts to put forward their 'Social Europe' project.

During these years, several other efforts ended in the same deadlock and with similar outcomes. Efforts to increase the EC budget for redistributive policies of the Social and Regional Funds, attempts to increase protection and participation of workers in European company law, proposals for a European wealth tax, among others. Despite some undeniable advances in the social field – not least regarding equal treatment for men and women and regarding health and security at work – by 1983 it was clear that all attempts at implementing the redistributive and market correcting aspects of the social Europe project that emerged during the 'long 1970s' had been torpedoed.

In March 1983, the French '*tournant de la rigueur*' was the final touch to convince those who had suspected that socialist policies could not be carried out in an EC country (and in the EMS) that they had been right. In order to be allowed to stay in the EMS, the French government renounced its efforts to build 'socialism in one country' and effected a radical change of economic policy: deflationary policy,

budget restrictions, reversal of nationalisations, and partial financial deregulation. Jacques Delors, then Minister of Economics, took the lead in this new austerity policy.

By the early 1980s, the European Left had broadly accepted that it could no longer hope to fight the negative effects of globalisation and to counter the 'crisis' at the national level; but was forced to acknowledge that it was powerless to use the EC as a tool to implement an alternative (socialist) model in Europe and beyond. Moreover, it was becoming evident that the Community was an increasingly tight straightjacket in which economic, social, industrial, budgetary, fiscal policies, and so on, could not be decided independently by member states.

Therefore, the failure of 'social Europe' in the early 1980s left a strong mark on European socialists. It contributed to the establishment of a new ideological consensus of European social democracy on the terms set by neoliberalism.[856] This was an ironic shift, considering that throughout the 1970s European socialists had been confident that they could establish a sort of 'neosocialist' paradigm not only in Western Europe, but in the world.

The failure of social Europe also left a strong mark on the nature of European integration itself, which committed decisively to a more liberal and arguably less democratic road. Although the European '*relance*' that took place after 1984 – encouraged by the French 'European' turn and the Delors Commission – assimilated some ingredients of 'social Europe', it was a qualitatively different project. The so-called 'crisis' of the 1970s – which is perhaps more adequately described as a deep transformation of western capitalist societies fuelled by intense social conflict – ended in the defeat of the redistributive and democratic Europe that had been conceived after 1968. The 'new social pact' that emerged from the 1980s had little to do with the solutions imagined by the European Left during the 1970s.

[856] Sassoon, *One Hundred Years of Socialism*, 1996, 691 and following.

Conclusion

After social Europe

"*L'Europe sera socialiste ou ne sera pas*". Mitterrand's well-known catchphrase sounded almost like a self-fulfilling prophecy. Instead, in the following years, 'Europe' – embodied more and more assertively by an expanding European Community – engaged on a road that was swerving further and further away from that 'Social Europe' that European socialists had imagined and striven for in the long 1970s.

In 1983, the French '*tournant de la rigueur*' was an important turning point away from 'social Europe'. In its 1972 common programme, the French Left had wagered on its ability to shape the European Community from within, and vowed to free its institutions and policies from the domination of capital, while at the same time preserving its own freedom of action to realise its political, economic and social programme at home.[857] In this regard, the French socialist government's decision, a decade later, to abandon its policies of economic planning and expansion of the public sector in order to be allowed to remain in the European Monetary System (EMS) was an admission of failure. In a way, it proved that Italian communists had been right a few years earlier, when they sensed that the EMS – as conceived by European leaders back then – could only constitute an obstacle to the reforms they were hoping to implement in Italy.[858] European monetary and economic cooperation would indeed lean increasingly in the direction of budgetary austerity and fiscal prudence.

After renouncing 'socialism in one country', the French government chose to reassert its European commitment, revived the French-German axis, and engaged in efforts with other EC leaders to reinforce European integration with a new project – the single market. This new idea was forceful as it brought together the ambitions of those who advocated a strengthening of European institutions to manage the

[857] Parti communiste français and Parti socialiste (France), *Programme Commun de Gouvernement Du Parti Communiste Français et Du Parti Socialiste (27 Juin 1972).*, 117.

[858] The PCI voted against Italy's immediate involvement in the EMS in December 1978. This vote could be seen as an exception to the party's then established support for European integration projects, and highlighted for an instant the tension between its national and European policies. Maggiorani and Ferrari, *L'Europa Da Togliatti a Berlinguer*, 65–75. European socialists had been divided and generally lukewarm on the question, but their confidence that they would be able to turn the EMS into a tool to support an economic and monetary policy of planning and redistribution prevailed.

economic crisis and shelter Europe from the effects of globalisation, as well as those who pressed for enhanced market and entrepreneurial freedom. At the time increasing pressure was coming from business circles (especially big businesses trying to cope with the technological challenge coming from Japan and the US) against the many barriers that still impeded free movement of goods, capitals, services and workers within the internal market, and against what they saw as the paralysing presence of the public sector in the economy. In 1979, the Jean Monnet Action Committee was re-founded and for the first time included business representatives. In 1983, seventeen businessmen, including Philips' CEO Visse Dekker and Fiat's director Umberto Agnelli, met in Paris to found the European Round Table of Industrials (ERT). Their goal was to promote further opening of markets together with investment in infrastructures and technology at European level. Pressures from the various business lobbies were crucial in shaping the new *relance* of European integration in the mid-1980s.[859]

Several initiatives were launched in the early 1980s to enable a revival of European cooperation (in stalemate after the 'crisis of the 1970s'), and the ongoing budget dispute between member states, which was leading the Community to near bankruptcy. The Genscher-Colombo and Spinelli projects for a 'European union' are the most well-known, failed attempts to move towards a more federal Europe. With the recent enlargement to Greece and the prospect of the enlargement to Spain and Portugal however, a new political commitment appeared all the more pressing. Eventually, EC leaders reached an agreement during a Council meeting in Fontainebleau in June 1984, when they settled their budget wrangle, committed to reform the CAP, extend structural funds, and improve the institutions, and started on the road to the completion of the single market, which would eventually lead to the signature of the Single European Act (SEA) in 1986, and later the establishment of the Economic and Monetary Union (EMU). The Fontainebleau agreement was, by and large, the most prestigious achievement of the French government during its 1984

[859] There are several studies that show how the single market agenda has been considerably influenced by private business circles. Apeldoorn, *Transnational Capitalism and the Struggle Over European Integration*; Keith Middlemas, *Orchestrating Europe: The Informal Politics of the European Union 1973-95* (London: Fontana, 1995), 102–10; Eric Bussière, Michel Dumoulin, and Sylvain Schirmann, eds., *Milieux Économiques Et Intégration Européenne Au XXe Siècle: La Relance Des Années Quatre-Vingts (1979-1992)*, Histoire Économique et Financière de La France (Paris: Comité pour l'histoire économique et financière de la France, 2007).

presidency of the Council, whereas its attempt to place 'Social Europe' back on the Community agenda produced very meagre results.[860]

An important aspect of the European *relance* was the nomination of Jacques Delors as the new President of the European Commission in 1985. Delors was an experienced politician who had served as Minister of Finance of France from 1981 to 1984; he had been in charge of the French turn to austerity. He was well versed in European bureaucratic jargon and had profound knowledge of European socialists' and trade unions' dynamics and contradictions. When he took office in the Commission, Delors placed the single market project at the top of his agenda, as well as the upcoming enlargement, and increasing resources to weaker regions.[861]

Delors' Commission is often remembered for its engagement to revive 'European social dialogue' as part of a much-brandished 'European social model'. Some consider that the SEA symbolised a reconciliation of liberal Europe with social Europe, adorned with a touch of neo-mercantilism.[862] Behind the rhetorical smokescreen, however, it was a very different project that was taking shape in those years in comparison to the redistributive and economic-planning oriented 'social(ist) Europe' that European socialists had been pushing forward only a few years earlier. Delors was well aware that the single market's main aim was to re-establish Western Europe as a leading economic actor by embracing an increasingly deregulated, competitive and globalised form of capitalism. He had come to believe that the ongoing trends of liberalisation and deregulation were inevitable and therefore needed to be followed, and could only be counterbalanced by defending European interests and an ambiguous 'European model'.[863] Indeed, the single market was increasingly

[860] Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 93-99; 156-157. The French Minister for Social Affairs, Pierre Bérégovoy, engaged efforts to revive tripartite 'social dialogue' at EC level, for instance, led to next-to-no concrete results. Beregovoy had also presented in June 1984 a social action programme whose key objective was to direct the development of new technologies towards employment creation. It encouraged the Commission to draft a series of new initiatives regarding employment, vocational training, new technologies, and social protection in line with the idea that social policy should be placed on the same level as economic policy, but its was limited to proposals for studies, aid programmes and recommendations, with little suggestion to adopt new regulation in the social field. The conclusions of the Fontainebleau Council invited the Commission to realize this programme. It was however 'Europe of citizens' that was emphasised at the Council meeting with the decision to create a European passeport, more than 'social Europe'. *Bulletin des Communautés Européennes*, n°6/1984, pp. 43-44.
[861] George Ross, *Jacques Delors and European Integration* (Cambridge: Polity Press, 1995); Charles Grant, *Delors : Inside the House That Jacques Built* (N. Brealey Pub, 1994).
[862] Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)."
[863] Jacques Delors, *Mémoires* (Paris: Plon, 2004), 203.

adapting European countries to the rules of globalised market forces at a time when market dynamics, financial capital mobility, and competition with new emerging economies and with other western economic powers were on the rise.

To be sure, throughout the years, the European Community continued its efforts to enhance the 'social dimension' of the European integration project. From the Single European Act to the Maastricht Treaty and to the Lisbon Treaty; through a series of enlargements, association agreements and neighbourhood partnerships; and through enhanced cooperation in the fields of monetary policy, justice and internal affairs, foreign affairs and security and so on, it completed its evolution into a European Union (EU) that now represents a mastodontic commercial, diplomatic, economic, political and legal entity.[864] Through numerous action programmes, pilot-schemes, methods of coordination, recommendations and directives, and through its structural funds, the EC/EU continued to develop a social policy that pursued the same objectives: to increase social harmonisation between member states, to foster 'European social dialogue', to improve living and working conditions, to suppress discriminations and inequalities between men and women, to improve health and security at work, to establish fundamental rights of European citizens, to improve vocational training and retraining, to name just a few.

In a way, it can be argued that the 'European social policy' approach, aimed at tempering the negative consequences of a predominantly liberal market-oriented Europe with targeted measures, prevailed in the long run, while the 'Social Europe' project, understood as a fundamental redirection of European cooperation along socialist lines, obviously went unheeded. The redistributive aspect of 'Social Europe' was never truly realised. Throughout the years, the resources of the structural funds – like the Social and Regional Funds – increased but remained fundamentally weak compared to the ambitions of European socialists in the 1970s. The most 'redistributive' policy of the EC until today remains the CAP, whose 'social' purpose is highly contested, since it mainly benefits big farmers Lacking the economic and legal resources to play a significant 'welfare superstate' role, the EC/EU increasingly geared its social policy to weaker regions and categories of workers. The Social Fund was reformed several times and increasingly shaped to target weaker regions and categories of beneficiaries (such as the young and long-term unemployed) through

[864] Haakon A. Ikonomou, Aurélie Andry, and Rebekka Byberg, *European Enlargement across Rounds and beyond Borders* (Routledge, Taylor & Francos Group, 2017).

vocational training.[865] The very conception of social justice entailed in this kind of social policy is different from the one put forward in the 'Social Europe' project of the 1970s. Suppressing poverty or relieving youth unemployment and discriminations against women at work is not the same thing as realising equality through a redistribution of wealth and power.

The emergence of a new conception of social justice – embedded in certain form of social security regime – took place after the 'incubation years' that stretched from the mid-1970s to the mid-1980s, in which controversies about the 'crisis of the welfare state', the excessive burden of social and public expenditure, or the looming threat of demographic ageing started to spread. In these years, the combined pressure of the recession and resurgent free-market ideology challenged the post-war consensus for social security expansion, and led to the formulation of alternative models of 'welfare regimes'. Transnational policy paradigms promoted by international organisations increasingly moved in that direction. During the 'incubation period', some organisations, like the ILO, emphasised the solidarity and redistributive aims of state-guaranteed social security and refuted the ineluctability or irreversibility of the 'crisis of the welfare state', critiqued austerity measures and denounced new partnerships with private providers, which erased the very principle of social solidarity. Other organisations, like the OECD, adopted the mainstays of the emerging social security critique – the analysis of social contributions as a burden on wages and the development of private alternatives to state-based social provision. The latter view eventually prevailed, while the former was increasingly marginalised. The World Bank and the IMF, which were increasingly involved in the social policy arena in following years, adopted the same view. The EEC Commission and its DGV was undergoing a similar evolution around the mid-1980s.[866]

Since the 1980s, with the creation of the single market and even with the launching of the new 'European social dialogue', Community initiatives in the fields of social policy and employment were increasingly oriented towards the goals of

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[865] Degimbe, *La Politique Sociale Européenne*, 59–92; Leboutte, "Cinquante années d'action sociale en Europe"; effrey J. Anderson, "Structural Funds and the Social Dimension of EU Policy: Springboard or Stumbling Block?", in Stephan Leibfried and Paul Pierson, eds., *European Social Policy: Between Fragmentation and Integration* (Washington, D.C: Brookings Institution, 1995), 123–58.

[866] Matthieu Leimgruber, "The Embattled Standard-Bearer of Social Insurance and Its Challenger: The ILO, The OECD and the 'Crisis of the Welfare State', 1975–1985," in *Globalizing Social Rights*, ed. Sandrine Kott (Palgrave Macmillan, London, 2013), 293–309. See also Matthias Schmelzer, *The Hegemony of Growth : The OECD and the Making of the Economic Growth Paradigm* (Cambridge University Press, 2016).

competitiveness, flexibility and ‘restructuring’.[867] The shifting conceptions about social policy and economic management at European level appear clear in the light of the evolution of two of the most emblematic proposals of the ‘Social Europe’ formulated in the 1970s: the directive on information and consultation of workers, and the directive on the reduction of working time.

After the defeat of the European Left on the Vredeling directive, the project of a directive on information and consultation of workers at European level remained dormant for many years. In 1994, the EU finally adopted a Directive on the establishment of European Works Councils (EWCs) in multinational companies, which was supposed to close the matter. However, the directive had little to do with the directive that European socialists and trade unions had forcefully (albeit unsuccessfully) defended since the 1970s. It just about promoted voluntary agreements on the constitution and operation of EWCs, but did not constitute a common and binding legal framework.[868] This was best illustrated a few years later, in February 1997, when the closure of the Renault plant in the Belgian city of Vilvoorde was announced at a press conference without prior consultation with the EWCs.[869] Above all, it had absolutely nothing to do with the project of economic democratisation that had repeatedly been asserted as a keystone for the realisation of a democratic and social Europe, which entailed not only information and consultation, but also measures as far-reaching as workers’ participation in firms (self-management, co-determination, employee representation in the direction, joint cooperation committees, co-ownership); participation of workers’ representatives in economic and social planning decisions at national and international level; extension of the public sector (nationalisations), and so on.

In the case of the directive on the reduction of working time, the efforts of European socialists and trade unions, backed for a time by the Commission – to see a legal framework on the reduction of working time in order to redistribute jobs and

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[867] Gobin argues that the European Commission used the social dialogue policy-making process as a tool to build ideological consensus around the single market project. Gobin, “Consultation et Concertation Sociales à l’échelle de La Communauté Economique Européenne,” 139.

[868] The introduction of EWCs required either the initiative of central management or “the written request of at least 100 employees or their representatives in at least two undertakings or establishments in at least two different Member States”. (Article 5(1)). The directive was revised in 2009. Corinne Gobin and Dirk Buda, ““L’émergence des comités d’entreprise européens”,” in *Quelle Union Sociale Européenne?: Acquis Institutionnel,acteurs et Défis*, ed. Mario Telo (Editions de l’Université de Bruxelles, 1994), 273–95; Jeremy Waddington, *European Works Councils : A Transnational Industrial Relations Institution in the Making* (Routledge, 2010).

[869] Petrini, “Demanding Democracy in the Workplace,” last pages.

fight unemployment had ended in complete demise in the early 1980s. It was never completely abandoned by its promoters however. In 1993 the Council adopted a directive 'concerning certain aspects of the organisation of working time'. The directive included a limit to weekly working hours, capped at 48 hours on average, including overtime and paid annual leave of at least 4 weeks per year.[870] This was strikingly unambitious if compared to the 35-hour working week, 6 weeks paid holiday, longer compulsory schooling and lower retirement age advocated two decades earlier as part of the 'Social Europe' project.

In 1989, the member states of the EC – except the UK – adopted in a declaration a Community Charter of the Fundamental Social Rights of Workers supposed to give an official basis to the 'European social model' often proclaimed since the 1980s and supposed to compensate for the consequences of the creation of the single market. The idea of an EC Social Charter had been first put forward by European socialists in their 'thesis for a Social Europe' in 1973; Mitterrand and the European Parliament re-launched the idea in the late 1970s.[871] The 1989 charter had a merely declaratory character, but the rights contained therein were later reaffirmed in the Charter of Fundamental Rights of the EU that became legally binding with the ratification of the Treaty of Lisbon in 2009. It entails a series of political, civil, economic and social rights guaranteed by the EU, regarding for instance prohibition of child labour, protection against unjustified dismissal, right of collective bargaining and some social security entitlements. Although the Charter certainly provides a legal basis to counterbalance economic freedoms with social rights, those 'rights' are mostly formulated as principles, making their justiciability uncertain, and in any event they only apply to EU citizens in cases that fall under EU law. It could even be

[870] Council Directive 93/104/EC of 23 November 1993, concerning certain aspects of the organisation of working time, *OJ* L 307/1993. The current version is available at http://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX:32003L0088. Last visited 12 June 2017.

[871] After a resolution tabled by the Socialist Group in April, in October 1978, the EP had organised a round table on the topic of a EC Charter of rights in Florence, attended by MEPs, Commission, Council and Council of Europe. Participants considered including civil, social and economic rights in the charter. HAEU, GSPE-065-EN-B, pp. 156-158: 'Summary report of the "Table Ronde" organized by the EP in Florence from 26 to 28 October 1978 in connection with the elaboration of a draft EC Charter on "Special Rights"'. At the 10th Congress of the SPEC in January 1979, Mitterrand proposed for the first time the adoption of a common charter of citizens' rights. HAEU, GSPE-132, "M. Mitterrand propose une charte communautaire des droits du citoyen", *Le Soir*, 12 January 1979.

argued that the reformulation of the traditional notions of rights enforced by the Charter actually contributes to diluting workers' rights.[872]

Whatever the case may be, the political, social and economic development of the EC/EU until today – and of the broader Europe 'reunited' after the fall of the Soviet bloc – uncontestably drifted far from the redistributive and interventionist 'Social Europe' project that forcefully emerged in the long 1970s, and that was defeated in the early 1980s. Today, this road not taken is almost completely forgotten.

The road not taken

Yet during the 'long 1970s', the 'European Left' formulated and put forward an ambitious project to establish social democracy in Western Europe – in which the European Community would have played a fundamental role.

The choice of the Community as the favoured platform and instrument to achieve a 'social Europe' was not self-evident. During the post-war decades, up until the late 1960s, European integration emerged as a predominantly economic enterprise directed by a regulated-liberalism approach. The overarching idea of the inventors of the 'Common Market' was that social progress would stem naturally from the benefits of economic integration and expansion. Indeed, European integration supported the exceptional growth of the post-war 'golden' years. In that sense, indirectly, economic cooperation and integration buttressed the so-called post-war compromise and the development of comprehensive welfare states in Western Europe. It entrenched the stabilisation of capitalism – welfare capitalism – throughout the continent. The economic foundations of the EC did not make much room for a 'social dimension'. The social deficit of the Rome treaty was reinforced in the first years of functioning of the Community by the predominance of negative integration and by the reticence of member states to achieve social integration at a time when social policy was (still) one of the main sources of legitimacy of European nation-states.

At the end of the 1960s however, a combination of new factors forced European political elites to abandon their confidence that enduring economic growth

[872] Hanna Eklund, *National Margins of Discretion in the Court of Justice of the European Union's Adjudication of Fundamental Rights : Studies of Interconnectedness* (Florence: European University Institute, 2016); Sandra Fredman, "Transformation or Dilution: Fundamental Rights in the EU Social Space," *European Law Journal* 12, no. 1 (2006): 41–60; Judy Fudge, "Constitutionalizing Labour Rights in Canada and Europe: Freedom of Association, Collective Bargaining, and Strikes," *Current Legal Problems* 68, no. 1 (2015): 267–305.

alone would suffice to create social progress. The relative economic, social and political stability that had characterised the 'golden age' of the postwar era started to crumble; social conflict was rising; international relations were shifting; and western economies were showing signs of slowdown and monetary instability. Partly in response to these new pressures, in December 1969 in The Hague, European Community leaders committed to reviving European cooperation and to opening the road to the first enlargement of the EC to the UK, Ireland and Denmark a few years later. The 1969 *'relance'* facilitated enhanced European cooperation and integration in the economic, monetary and political fields throughout the 1970s. It was also marked, by greater (although embryonic) attention to the social consequences of European integration, and by the need to establish a 'European social policy'. By then, voices had started to emerge on the transnational European Left for a more 'social' Europe. A new consensus then emerged across the political spectrum around the idea that creating a free European market alone was not enough – the idea that more economic and social interventionism was necessary *at European level* started to catch on.

The new political impetus of The Hague, with the triple objective of completion, widening, and deepening of the Community, contributed to triggering more concern about the 'social' dimension of European integration and about the need for a common social policy. All three objectives were expected to have important social consequences for the Community. For instance, the decision to deepen the integration process through the progressive achievement of an economic and monetary union (EMU) raised complex questions about the social consequences and orientations – and generally about the political economy – of such a union. Above all, the European *relance* took place at a time when European societies were calling into question the foundations of the post-war order and asking for greater institutional and economic democratisation, for a more even redistribution of wealth, for greater individual and collective rights, and for more 'humane' working and living conditions. It also took place at a time when the 'European Left' was timidly turning towards European integration – placing increasing hopes on the EC – as a possible tool to implement a democratic and socialist Europe.

Above all, this strengthening of European cooperation took place at a time when social democracy was undergoing an important ascent. The 1970s would see the 'golden age' of social democracy in Europe. Indeed, throughout the 'long 1970s',

socialist and social-democratic parties came to power or joined coalition governments in a majority of EC and European countries. This 'golden age' was also, arguably, a moment when European social democracy was characterised by a leftward tendency, when the rationales of international trade, the free market and of capitalism itself, among others things, were increasingly called into question. By the end of the 1960s, the different forces of the European Left – mainly social democratic parties and to some degree communist parties and their 'sister' unions – started to show a greater will to engage with the problems and potentials raised by European integration. In the following years, these forces showed increasing determination and capacity to organise at European level in order to propose the realisation of a 'Social Europe'. By the early 1970s, 'Social Europe' was to become one of the leitmotifs of Brandt's European policy. The SPD – the dominant left-wing party within the EC during the 1970s – then set the tone for a rethinking of European integration along more 'social' and 'democratic' lines.

The early 1970s therefore saw the emergence of a consensus across the European political spectrum about the need for an enhanced 'European social policy': the idea that economic integration needed to be balanced with more social measures and geared more coherently towards the achievement of social goals in order to gain the assent of European 'peoples' and 'workers', and to preserve social peace and stability in Western Europe. In parallel, the forces of the European Left formulated a much more far-reaching project of 'social union' – not just a social rectification of the liberal capitalist Community, but an alternative model of integration that would allow for the implementation of a 'social Europe'. The prospective enlargement and creation of an economic and monetary union had much greater effects on the emergence of a 'Social Europe' design. First, because they heralded the transformation of the EC into an economic giant whose potential to weigh on the global organisation of trade, economic, monetary and social rules, among others, was burgeoning exponentially. Second, because enlargement created a perspective for left-wing forces (especially social-democratic forces) to significantly increase their influence over European institutions and policies. This contributed to encouraging a European 'turn' of left-wing forces to the EC and led them to formulate new designs to turn the EC into a vehicle for a *'socialist'* Europe.

This design, which arose primarily from the social democratic parties of the EC and the European trade unions of the EFTUC, was still embryonic at this stage. It

did however entail a much wider range of claims than had been included in discussions about a 'European social policy' so far. It included ideas about redistribution (by encouraging a fairer distribution of incomes and wealth and by increasing redistributive tools such as regional and social funds at EC level), of economic planning (through the implementation of policies of industrial, regional and social development for instance), economic 'democratisation' (through greater participation and information of workers in firms), and regulation of economic forces (for instance through greater control of multinational and protection of workers against dismissal), as well as environmental concerns, democratisation of the EC's institutions, and claims for a rebalancing of the international system to favour the development of the rising 'South'.

The parallel emergence of these two trends – the consensus for an enhanced 'European social policy' and the design for a 'socialist Europe' – allowed the German social-democratic government, backed by the social-democratic candidate countries, to put forward at the December 1972 Paris Summit a 'social union' initiative intended to turn Western Europe into "a model for social progress" in the world. The 'social union' or 'Social Europe' concept was then intended to federate forces around what was fundamentally an embryonic idea of a social-democratic Europe. The Paris Summit actually marked the apex of a new determination of the EC governments to provide the EC with a social dimension that could go beyond the narrow 'European social policy' imagined so far.

Moving from 'European social policy' to 'Social Europe', the socialist forces of Western Europe started a process that required enhancing transnational cooperation and coordination of their European policies, adopting common lines in relation to a 'socialist' Europe, and envisaging an alliance of the 'European Left'. This was encouraged by the elaboration, after the Paris Summit, of the first Community Social Action Programme (SAP) in 1973-74. In these years, and especially at their April 1973 Congress in Bonn, European socialists designed a comprehensive and ambitious project 'For a Social Europe', which intended to empower the Community in the social field and to increase social and economic coordination between the countries of the EC. The project relied on far-reaching proposals to sustain a number of fundamental principles that included social and economic planning, economic democratisation, wealth redistribution, improved working and living conditions, the right to work, upward harmonisation of European social regimes and access to social

protection for all. The project entailed changing the EC so as to make it a sort of supranational actor for greater social justice, not just with the adoption of market-friendly measures, but with the goal of intervening in the social and economic structure of the member states to correct the dysfunctions of the market and to impose a redistribution of wealth across member states and populations.

Although the SAP adopted by the Council in 1974 disappointed the advocates of a 'Social Europe', in the following years it allowed the adoption of several directives in the fields of health and security at work, the redefinition and extension of the tasks of the ESF, the adoption of two action programmes in favour of migrant workers and handicapped persons, of directives on equal opportunities between men and women and regarding the protection of workers' interests in cases of mass dismissal and in cases of mergers and relocations, and the creation of Community agencies for vocational training and improving living and working conditions.

Thereafter, between the 1973 'oil shock' and the end of the decade, the European Left's project for Europe underwent important developments. In those years, the world – and Western Europe in particular – found itself at a crossroads. The fall of Bretton Woods, the momentary weakening of the United States' authority, the emergence of a union of the Third World for a redistribution of power and wealth, the oil crisis and the ensuing energy crisis, the economic recession and the emergence of 'stagflation' and employment, the progress of détente and the gradual opening of East-West dialogue, the assertion of a new role for the EC, and the fall of dictatorial regimes in Southern Europe, all converged to disrupt the stability of the post-war order of regulated capitalism and to open a new window of opportunity for a socialist alternative. At the same time, the socialist and communist Left was rising virtually everywhere in Western Europe. Against this changing background, the prospect of an alliance of 'the Left' that might reshape the EC became increasingly plausible.

At the apogee of their 'golden age', European social-democratic and socialist parties of the EC (and on their side the communist parties) therefore engaged in renewed efforts to improve their transnational cooperation and to coordinate their lines on European policy. These were the years of Eurocommunism and Eurosocialism, which were further encouraged by the EC leaders' decision to institute direct elections to the European Parliament by the end of the decade. Within the Socialist International, the newly inaugurated Confederation of socialist parties of the EC and the Socialist Group of the EP, European socialists improved (with great

difficulty) their level of organisation and worked to adopt common programmes and policy statements. At a time when capitalism seemed on the rocks, and with new challenges in sight (not least the rising problem of unemployment), it was clear to everyone that an alternative model was needed. European socialists were confident that the socialist alternative was the only viable response to the ongoing 'crisis'.

In a way, the project for a 'Social Europe', which had taken its roots in the 'golden age' of social democracy, then evolved into a project for a plain 'socialist Europe', in which radical socio-economic and political reforms would allow for the supersession of the capitalist outlook of Western European societies and of the EC itself. This shift did not reflect a qualitative change as much as the growing confidence of European socialists. *Socialist Europe* relied fundamentally on coordinated action of European countries and joint action at Community level – increased intervention of the state and of the EC into the economy, economic planning, political and economic democratisation, wealth and income redistribution, implementation of a new international economic order favourable to developing countries, control of multinational corporations and investment control, the right to work and reduction of working time, income policy, equal treatment for men and women, improved living and working conditions, and increased social protection and rights were among the main features of this project.

Although a general leftward tendency was perceptible among the west European socialist movement during those years, 'Northern' and 'Southern' Socialists were divided as to the adequate response to give to the crisis. Schmidt and Callaghan undertook a shift in economic policy in those years, adopting 'austerity' and monetarist policies that visibly broke with the socialist parties' traditions. They rejected the idea of a broad alliance with communist forces. Mitterrand, for his part, undertook the precarious challenge of uniting 'Southern' socialist parties around a common project that was much more radical than the one social democrats in northern governments were putting into place: democratic economic planning, extensive nationalisations and the implementation of *autogestion,* were the keywords of this project.

The late 1970s and early 1980s then saw what could be described as the defeat of the European Left's 'Social Europe' project. This defeat was the consequence of the waning of the social-democratic momentum of the 1970s, both at the level of Western European governments and of EC institutions, to the benefit of the liberal

and conservative Right. European socialists came out of the first direct elections of the European Parliament in 1979 at a disadvantage. Although they were still numerically the largest group; they were proportionally weaker than before and were dominated by a right-wing liberal-conservative axis. The defeat of 'Social Europe' was also prompted by the increasing popularity of 'neoliberal' solutions amongst right-wing actors and business circles. In the late 1970s, European leaders were starting to adopt policies that ran contrary to the 'socialist alternative' imagined by European socialists during the previous years. Fiscal prudence, budgetary cuts and deflationary policies took the lead, and the policies of increased public spending, reflationary policies geared to the satisfaction of collective needs, increased state intervention in economic and social policies, investment control and so on, were dismissed. The new EMS, created in 1979, was a case in point.

The window of opportunity that had opened during the 1970s with the dismantling of the post-war 'order' was closing. In its place, a new regime was emerging that consecrated increased competition, globalisation, liberalisation and deregulation, and was leading to increased inequalities. This new regime had very little to do with what the European Left – or the 'Third World' countries – had hoped for.

After a failed attempt to explore Eurocorporatist solutions for a new 'social pact' at EC level, left-wing forces (the socialist parties and unions of the EC above all) tried to pass some of the proposals it had formulated in previous years as part of its European socialist alternative to surpass the 'crisis'. The battles waged at EC level for the reduction of working time – as part of a broader alternative macro-economic policy to fight unemployment relying on increased state intervention, public spending and social and economic planning – and for a directive on the consultation and information of workers in multinational corporations that touched on the broader attempts to democratise the economy and shield European workers from the negative consequences of the ongoing economic globalisation, ended in absolute defeats. In those years, several other efforts ended in the same kind of deadlock and with similar outcomes, in particular the Socialist Group's efforts in the EP to increase the budget of the Social and Regional Funds for redistributive policies. By 1983 it had become clear that all attempts at implementing the redistributive and market-correcting aspects of the Social Europe project that emerged during the 'long 1970s' had been torpedoed. These defeats painfully highlighted the transnational European Left's

inability to position itself as a motor for European integration and to propose an alternative – 'Social' – Europe.

By the early 1980s, the European Left had widely accepted that it could no longer hope to fight the negative effects of globalisation and to counter the 'crisis' at the national level, but was forced to acknowledge that it was powerless to use the EC as a tool to implement an alternative (socialist) model in Europe and beyond. Social Europe was in demise and European social democrats were coming to terms with a new neoliberal consensus.

Reasons for the defeat

Reasons for the defeat of social Europe were manifold. The main causes were probably internal divergences between left-wing European parties regarding 'Europe' and regarding the way to socialism; their inability to truly unite and to consolidate an 'alliance of the Left' at European level; and their failure to organise an efficient multilevel lobbying force to constitute a democratic counterpower to international business and financial forces. There were also problems of timing for Social Europe proposals, which often arrived late on the Community agenda when free-market ideology was already on the rise and when the window of opportunity of the 1970s was closing. Perhaps above all, there was a lack of grassroots thrust, as European socialists and trade unions never managed to mobilise a mass social movement about the need to radically impose change at the European (EC) level.

Internal divisions between the forces of the European Left regarding European policy and regarding the 'socialist alternative' were wide-ranging and tenacious. Ideological, political, strategic and structural differences divided European socialist parties, just like European trade unions.[873] Despite real efforts to increase cooperation between unions and parties at European level throughout the 1970s, divisions remained constant. The structures charged of ensuring their international coordination – the Socialist International, the Confederation of Socialist Parties of the EC, the European Trade Union Confederation especially – remained relatively weak and non-binding in their capabilities throughout the period. There was no political will to turn

[873] Regarding differences between European trade unions in postwar decades, see for instance Launay, *Le Syndicalisme En Europe*; on socialist and social-democratic parties see Padgett, *A History of Social Democracy in Postwar Europe*.

these structures into anything like a supranational party or union structure, and the necessity to reach compromises between their national components often paralysed formal cooperation.

Within the Confederation of socialist parties, as the press often noted, European party leaders were persistently divided. Despite broad convergence on generic themes (such as more equality, the right to work, the 35-hour working week, better control of multinationals and more economic democracy), they diverged widely on important themes like the democratisation of EC institutions (e.g. the powers of the EP), workers' participation, and the ways EC economies should be run – more or less economic planning, more or less capital control, extension of the public sector and nationalisations, and so on.[874] These divisions were best exemplified in the tensions that arose in the mid 1970s between 'Southern' socialists, led by Mitterrand, and 'Northern' social-democrats, in particular of the type embodied by Schmidt. At the and of the decade, while Schmidt and Callaghan were adopting austerity policies and increasing pressure on workers, French socialists still asserted that they did not aim to temper or modernise capitalism, but wanted to replace it with socialism. Even within 'northern' parties however, a leftward tendency of the militant base was visible and voices were raised for reconsideration of the commitment to capitalist market economy. Schmidt was actually rather marginal in the international socialist galaxy of the time, as well as within his own party.

The divisions of the parties were reflected in the work of the Socialist Group of the EP. To which extent should private investments be controlled by the states and the EC? Should the state nationalise resources and wealth institutions? How should wealth distribution be carried out? Should the Treaty of Rome be revised in order to allow control of capital? When discussing EC social and employment policies in the EP, these were questions that arose over and over again.[875] Although they converged

[874] For instance "Nei PS europei riappare l'attrito tra Nord e Sud », *La Repubblica*, January 1979; "Something in common", *The Economist*, 20 January 1979; "Europe : pour un pluralisme accepté et vivant", *L'Unité*, 19 Janary 1979 ; "Le Congrès des partis socialistes européens a été celui des « divergences escamotées »", *La Libre Belgique*, 14 January 1979.

[875] For instance, during a discussion of the Socialist Group on the definition of its common position on employment (the Salisch report), tensions arose on these fundamental questions. Allan Rogers, a British Labour MEP asserted: "Control of capital on the scale necessary to revive economies, both on the points outlined in Salisch and in the way I would like, would seem to me to be against the concept of freedom of capital movement enshrined in the Treaty of Rome. So, a prerequisite of tackling unemployment would have to be reform of the institutions and the framework within which we operate". Most socialists, according to Rogers, agreed with this "heretical request". HAEU, GSPE-071-

on many points, the exact meaning and significance of central propositions such as 'economic planning', 'work planning', 'work-sharing', 'investment control', 'democratization of the economy', 'nationalization of wealth', 'a new world economic order', and relations with third countries, remained under discussion throughout the years. Above all, despite the official turn to the EC of most parties, members of the Socialist Group actually continued to diverge on their position regarding the EC. In 1980, after a decade of coordinating efforts by European socialists to put forward a Social Europe project, the president of the Socialist Group of the EP was still forced to acknowledge that "the most fundamental problem, and where the Group is deeply split, is that of building Europe itself". Some wanted to see a stronger Community and the construction of a political Europe and others aimed at the dilution of the European Community.[876]

A result of these divisions was an ineffective socialist European strategy. The parties often intended to find a solution to their divisions, as in the case of workers' participation, by invoking the adaptation of broad measures in each national context (in collaboration with trade unions), while at the same time seeking coordination and legal constraints at EC level. This strategy added to the complexity of social security and labour law harmonisation between EC member states, sometimes and ended up weakening the socialists' demands. In the case of the Vredeling directive on information and consultation of workers in multinational companies, it was not clear weather a Community legal instrument would run the risk of undermining the 1976 law on co-management in West Germany.[877]

Another main cause of the failure of the 'Social Europe' project was the socialists' incapacity to build a broad alliance at European level. The empowered European Parliament was regarded as a possible platform where such an alliance could come into play. Although they agreed that such alliance was necessary, socialist and social-democratic parties continued to disagree throughout the period on how to achieve it. Some, like the French socialists, favoured a union of the Left at EC level with the rising communists, who at that time had also turned to the EC and engaged

EN-05, PP.105-108: PE/GS/174/81 'Letter to Heinke Salisch by Allan Rogers', June 8, 1981 elaborating the points made by Rogers to SG on 3 June 1981, here p. 107.

[876] HAEU, GSPE-069-EN, pp. 177-178, PE/GS/208/80 'Updating the Group's strategy', by Ernest Glinne, 25 August 1980, here p. 179.

[877] Since German firms falling under the application of the directive could potentially avoid the national legislation. Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 109; 116.

on the road to Eurocommunism, adopting a parliamentary reformist strategy. The majority of the social-democratic parties, especially the German SPD, rejected this solution and preferred to look right to 'democratic and progressive' forces among the Christian democratic and liberal families. The position of the Italian communists themselves was ambiguous on the question. Although they were closer the French socialists than to the French communists, their strategy within the European Parliament was unclear. During the discussions on the reduction of working time in the late 1970s, the Socialist Group noticed that the PCI were emphasising the need for competitiveness, neglecting workers' rights and interests, and suspected that they were attempting "to reach a compromise (an historic compromise?) with the Right".[878]

Towards the late 1970s, Mitterrand's idea of a European alliance including socialists and communists seemed to lose ground. His attempt to bring 'Southern' socialists together had failed and he was getting closer to Brandt's SPD. The laborious efforts of European socialists to draft a common electoral manifesto in 1977-79 contributed to pulling to pieces the *union de la gauche* in France, which in turn contributed to a revived hostility of French communists towards the EC and the progressive demise of Eurocommunism. This evolution made the possibility of a left-wing alliance at EC level even less probable. By the early 1980s, socialists in the EP were clearly tacking their alliance strategy further to the right.[879]

At the peak of their prestige and power in the second half of the 1970s, the inability of European socialists to agree on concrete proposals to put forward a common European socialist programme, their inability to seal a broad alliance of the Left at European/EC level, and the fundamental disagreements and rivalries between socialist and social-democratic parties, were important causes for the failure of the interventionist and redistributive social Europe. The British Labour Party's position regarding the Community also represented a heavy burden. The prospect of the UK's accession to the Community had represented one of the main hopes of European socialists to push the EC towards social democracy in the early 1970s. The party's decision to 'boycott' European institutions until the 1975 referendum, then to stay away from the preparation of the European socialist programme in the following

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[878] HAEU, GSPE-071-EN-05, PE/GS/153/81, 'Note to the Working Party on Employment' by Jean-François Vallin, 18 May 1981, p. 23.
[879] HAEU, GSPE-069-EN, pp. 177-178, PE/GS/208/80, 'Updating the Group's strategy', by Ernest Glinne, 25 August 1980.

years obviously weakened the socialist front. In 1979, after losing the election to Margaret Thatcher, Labour decided to return to its hostile position regarding the EC, thus disavowing the feasibility of the 'social Europe' project.

Aside from an inefficient alliance strategy, European socialists also lacked the strategic skills to impose their agenda at the European level. At the time, business lobbying of European institutions was burgeoning.[880] Employers showed themselves to be increasingly hostile to the kinds of policies that constituted the 'socialist alternative' and were put forward by European socialists and trade unions alike. They developed very efficient arguments that aimed to twist the unemployment problem to their advantage – informing and consulting workers, like working-time reduction, would destroy employment whereas fiscal relief to firms and more flexible dismissal would create it. Business circles were able to lobby not only the Commission, Council and EP, but also at national party level, in order to get parties to boycott the directive in the EP.[881] The discussions on the Vredeling directive at the turn of the 1980s saw the unleashing of "the most expensive lobbying campaign in the European Parliament's history".[882] Since the 1960s, in the wake of increasing 'globalisation' of economic and financial capital, European trade unions had intended to constitute a "counterpower" to multinationals at EC level.[883] However they proved utterly unable to compete with the intense and multi-level lobbying efforts of business circles – and so did the socialists.

Indeed within the European Parliament, Socialists were constantly trying to set priorities and to make their work more efficient, but with scant results. The Socialist Group, by its own reckoning, suffered form absenteeism; a lack of discipline in voting behaviour; an inability to exert pressure on socialist groups in national assemblies; a lack of initiative and a tendency to follow the political lead given by the other groups; a tendency to split up into national subgroups each with its own distinctive policies; a tendency to overload agendas with relatively minor items and procedural matters,

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[880] Svein S. Andersen and Kjell A. Eliassen, "European Community Lobbying," *European Journal of Political Research* 20, no. 2 (1991): 173–87; Sonia Mazey and Jeremy Richardson, eds., *Lobbying in the European Community* (Oxford, New York: Oxford University Press, 1993).

[881] AHCE, 42/1988_1750, 'Letter from J. Solvay, CEO Solvay and Cie, to Gérard Deprez, President of the Belgian PSC (Parti Social Chrétien)', 1st September 1982.

[882] Walker, "The Vredeling Proposal," 191.

[883] Udo Rehfeldt, "Les stratégies syndicales européennes", in Fouquet, Rehfeldt, and Le Roux, *Le Syndicalisme Dans La Mondialisation*, 77–86.

leaving little time for the most important political debate, and so on. [884] The dire consequences of this poor level of organisation were demonstrated when the Vredeling directive was torpedoed in the EP. Throughout the decade, the socialist Group failed to take advantage of its political importance and to pass any of the main objectives of the socialists' project for a Social Europe.

At the same time, socialists and social democrats that participated in governments during these years failed to push 'Social Europe' proposals and to back European trade unions' demands in the Council. During the first half of the 1970s, Brandt's personal activism in convincing his European counterparts of the need to invest on a 'Social Europe' project had been determining of the EC leaders' commitment to enhance the social dimension of their cooperation. It had opened the way to the adoption of the Social Action Programme and thus to a series of measures and directives in social policy in the following years. During the second half of the 1970s, on the contrary, political will was lacking in the Council. EC governments (including the Labour government) refused to abide by the trade unions' demands to give binding force to the decisions of the tripartite conferences.[885] By the time the socialists came to power in France and put new proposals for a 'Social Europe' on the table, the Left had lost its advantage at the Council table. Mitterrand's proposals were politely ignored – including by Schmidt who had never embraced the social Europe project.[886] The need to ensure unanimity in the Council stood in the way of any progress towards a market-correcting, redistributive Europe.

Timing certainly played an important part in the failure of 'Social Europe'. By the time the emblematic proposals for the reduction of working time and for the information and consultation of workers in multinational companies arrived on the EC table, the social-democratic momentum was already in demise. Thatcher's

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[884] HAEU, GSPE-069-EN, pp. 18-21 PE/GS/137/80: 'Programme and activities of the SG in the EP (proposals from the Italian members of the Group)', 5 June 1980; -pp.30-33 PE/GS/143/80, 'Contribution to the discussion on the operation of the SGEP by the Dutch members', 5 June 1980; pp. 151-159, PE/GS/201/80, 'Note: Paper on the position of the Socialist Group in the EP', by Rudi Arndt, 25 August 1980.

[885] Warlouzet, "L'Europe Occidentale Face Au Choc de La Globalisation. La Solution de La CEE (1973-1985)," 153 and following. Later both Schmidt and Mitterrnand's governments only supported lukewarrmly the Vredeling directive.

[886] Although the French memorandum was released more than a month before the November 1981 London Council, the conslusions of the Council's conclusions did not mention the French economic recovery plan. "The European Council [London Summit 1981], London, 26-27 November 1981," EU European Council, (1981), http://aei.pitt.edu/1411/.

conservative government was already at the table, and several social-democratic governments had adopted austerity and liberal lines. By 1982 social democrats were out of power in West Germany and by 1983 France had operated its economic 'u-turn'. Reagan's America was on the alert. In the mid-1970s, Keynesian ideas of economic management and regulation were still widespread and social mobilisations for economic democracy and workers' empowerment were at their apex; the climate was auspicious for Social Europe. By the turn of the 1980s the political and ideological climate was shifting; employers were well aware of this and used delaying techniques purposely to muddy the waters.[887] Vredeling only arrived at the European Commission in 1977. He first set his aims on working time reduction, before he presented his well-known directive in 1979. European trade unions had first focused on other international bodies like the UN before they identified the EC as the best framework to enforce binding legislation.

Social Europe therefore arrived too late, or rather too slowly on the EC's agenda. After the Bonn 'theses for a social Europe' and the adoption of the SAP, socialist parties set highly ambitious projects for a socialist Europe but failed to act on them. This is in part because they spent so much time trying to agree on the concrete terms of their broad socialist Europe design and in part because they were divided on the best strategy to adopt and dispersed their forces between the national, European and international levels. It was also because they waited to see the outcomes of the 'Eurocorporatist' attempt launched between 1974 and 1978, at the apex of the social-democratic momentum. The idea of sealing a 'new social contract' between social partners, member states and European institutions had at first seduced social democrats. They had thought that in this way a sort of European 'neo-Keynesian' compromise would arise. They trusted for a time that the 'socialist alternative' would progressively impose itself as the new consensus. Instead, their socialist alternative proposals gradually lost ground and the window of opportunity, opened for a social Europe and for a new international economic order a decade earlier, was definitively closed during the 1980s.[888]

The mounting critiques and pressure against the economic and social role of public authorities barred the road to Social Europe as much as internal divisions and

[887] Petrini, "Demanding Democracy in the Workplace," 160.
[888] Gilman, "The New International Economic Order"; Jeffrey Cason, "Whatever Happened to the New International Economic Order?," in *Ethics in International Affairs: Theories and Cases*, ed. Andrew Valls (Lanham: Rowman & Littlefield, 2000), 201–13.

strategic flaws of European socialists and trade unions. The rising neoliberal doctrine advocated dismantling the welfare state, decreasing public spending and unleashing market forces, sapping the powers of the trade unions and 'flexibilising' labour. The new 'post-industrial' era opening encouraged a fragmentation of the workforce – through deindustrialisation, relocations, reduction of the public sector, reduced job security ('precarisation'), growing unemployment, and so on – and weakened trade unions. Under these increasing pressures, the power balance was shifting; the waves of contestation that had challenged the postwar 'order' in the 'long 1968' (and had fuelled 'Social Europe') were tamed. Debilitated European trade unions were progressively left to accept wage moderation and to trade wealth redistribution for employment guarantees. They accepted collaboration with governments at national and European level to safeguard competitiveness of European economies on the global market in a desperate attempt to preserve employment.[889] European socialists and trade unions adopted a more protective policy that aimed to preserve the socialist *acquis* of European countries. The demands for wealth and power redistribution on a European and global scale that had underpinned social Europe in the 1970s virtually disappeared.

Finally, and perhaps most importantly, a central reason for the defeat of 'Social Europe' was the incapacity of the European Left to build, together with European trade unions, a true grassroots movement to support their ambitions for radical change at European level. In a pamphlet on the fate of the Vredeling directive tellingly titled 'Hush! Don't Tell the Workers', a group of left-wing members of the European Parliament sarcastically deplored:

> The secretariat of the European Trade Union Confederation followed the events closely, maintained a critical stance throughout, and lobbied and informed members of the European Parliament. But it seems not to have seen it as its task to mobilise unions and workers throughout the Community in support of the Vredeling directive. National unions were not well informed, and most of them paid little attention to what was happening at the European level. They also made little or no effort to inform or mobilise the rank and file: not untypical is the case of a Danish trade unionist, working in a major multinational, who first heard of the struggle around the Vredeling text by chance, during a visit to Brussels… in May 1983.[890]

[889] Anne Dufresne, "Le salaire, au cœur de l'eurosyndicalisme ?, Euro-Unionism and the wage," *Politique européenne*, no. 27 (July 24, 2009): 47–74.
[890] IISH, ETUC-2202, Agenor, *Hush! Don't Tell the Workers*, 1983, quoted in Petrini, "Demanding Democracy in the Workplace."

Historically, contrary to national socialist parties and trade unions, European-level socialist and trade union structures did not surge out of grassroots social mobilisation. They resulted from decisions of top party and union leaders, remained distant from mass movements, and therefore limited in their power and influence. Despite their attempt to launch a more active trade unionism with a number of demonstrations in the late 1970s, European trade unions remained unable to build bridges between the local, sectorial and national levels, and the European level.[891] Aside from a gathering under the Eiffel Tower a few days before the first elections of the European Parliament, socialist parties never considered mobilising on their social Europe project. European policy remained a remote concern for militants and medium and low executives of socialist as well as of communist parties.[892]

The absence of a transnational grassroots movement was also a consequence of the divisions between the parties and unions. This serious lack was worsened by the fact that despite increasing efforts to achieve rapprochement and coordination between European socialists and European trade union structures in the 1970s, in several countries relations with socialist parties and unions were crumbling. The progressive stiffening of the main social-democratic parties of the EC in government along the neoliberal line of austerity and deflation, and their unprecedented distancing from their 'sister' trade unions during the 1970s, contributed to the fragmentation of the 'Social Europe' front.[893]

The gamble

In a way, the story of Social Europe in the long 1970s was the story of a gamble. The European Left, with some exceptions, had generally been hostile towards the plans for European cooperation and integration that emerged in the post-war years. Those plans had mainly been drawn up by Christian democrats, supported by the United States

[891] Gobin has convincingly showed that in the absence of a real European trade unions movement, European policies remained for long the "private garden" of top trade union leaders in a verticalisation process, where they ended up socialising more with European political and business elites than with grassroots militants. She also argues that the European trade union structure has been increasingly turned into one of the Commission's "administrative annexes". Gobin, "Consultation et Concertation Sociales à l'échelle de La Communauté Economique Européenne," 51–150; here 142; Corinne Gobin, "De l'Union européenne à ... l'européanisation des mouvements sociaux ?," *Revue internationale de politique comparée* 9, no. 1 (2002): 119–38.

[892] Maggiorani and Ferrari, *L'Europa Da Togliatti a Berlinguer*, 65–75.

[893] Mario Telò, ed., *Sindacato, Politica e Corporativismo in Europa, 1970-1980* (Milano: FrancoAngeli, 1983), 22.

against the socialist republics of the Soviet bloc, and dominated by ordoliberal market rationales. By the early 1970s, even the most reluctant forces of the Left in Western Europe had shifted – with varying degrees of conviction – their position regarding the European Community. They had come to believe that they could change the Community from within, to shape it along socialist and democratic lines, and use it as a tool to realise a 'Socialist Europe'. Social-democratic, socialist and the main communist parties' commitment to European integration was the result of that gamble.

The rationale that pushed European socialist (and some communist) leaders to make this gamble is remarkably illustrated in an article that François Mitterrand published in *Le Monde* in 1968, a few years before he became first Secretary of the new Parti Socialiste. Mitterrand was dicussing the possible fate of "a socialist France in a liberal Europe": should the Left opt "*pour l'Europe contre le socialisme, pour le socialisme contre l'Europe?*" His answer was neither of these two:

> L'Europe possible et souhaitable sera socialiste, mais il est clair que le rapport des forces politiques ne permet pas de l'envisager à court terme. Il s'agit donc pour la gauche française non pas de construire le socialisme dans un seul pays (en raison de l'irréversibilité relative de l'ouverture des frontières, mais le socialisme à partir de son pays, ce qui explique l'urgence de cette démarche. (…) [Mais] tant qu'un renversement des rapports de force dans l'Europe libérale n'aura pas été accompli, il conviendra d'exploiter la marge de manœuvre qui existe, plus importante qu'on ne le croie, en développant les communautés dans les domaines monétaire et technologique, en integrant dans notre plan les perspectives européennes, en prévoyant l'association de sociétes nationales françaises avec des partenaires européens, publics ou privés. L'objectif majeur étant évidemment de parvenir à la planification globale. On nous répondra que les autres ne sont pas disposés à se laisser entrainer là où ils ne veulent pas aller. Mais nous croyons à la France et à sa valeur d'exemple, comme nous croyons au socialisme et à sa force d'entraînement. L'un avec l'autre, l'un par l'autre.[894]

The forces of the European Left gradually converted to the European project embodied by the EC because the 'relative irreversibility' of regional integration made socialism in one country impossible, and because they were confident that they would sooner or later be able to '*renverser les rapports de force*' in Europe. The EC, more

[894] François Mitterrand, "Une stratégie : l'Europe", *Le Monde,* 29 février 1968. Quoted in Saunier, "François Mitterrand, Un Projet Socialiste Pour l'Europe ? L'équipe Européenne de François Mitterrand, 1981-1984," 447. Jean Lacouture, in his biography, argued that Mitterrand progressively converted to 'Europe', against socialism. See Jean Lacouture, *Mitterrand: Une Histoire de Français* (Paris: Editions du Seuil, 1998).

than any other European organisation at the time, could appear to be a potential first step on the way to 'global planning'. Did the development of the CAP during the 1960s not point to that prospect? Did the prospective enlargement to countries dominated by social democrats not support this appraisal? The gamble on the EC relied fundamentally on the European Left's confidence that democratic socialism would eventually win.

The whole 'Social Europe' project that developed throughout the 'long 1970s' was both the outcome of, and what was staked in, that gamble. Armed with their coordinated long-term plan for a social Europe, socialist parties of the European Community – assured that they could 'take advantage of the margin of manoeuvre' – had confidence in committing to more integration, starting with closer economic and monetary integration. When the wind turned in the 1980s and the prospects of a Socialist Europe got more and more remote, the straightjacket that they had helped build was already quite tight. In 1983, with the French '*tournant de la rigueur*', European socialists painfully discovered that their margin of manoeuvre to implement in terms of economic planning, social reforms, deflationary monetary policies, and extension of the public sector at home, was slimmer than they thought. It was in fact the ambiguity of the European Community's orientation during its first years of existence – ordoliberal? protectionist? dirigist? mercantilist? – that brought socialist parties and trade unions to commit to the EC, thinking they would turn it their way, not realising they were getting more and more tied to an enterprise that was becoming increasingly irreversible, and in which there was, according to Perry Anderson, an inherent institutional impossibility for a determined social, economic, political colour.[895] By the time they realised, the gamble had turned into a noose that was closing around them.

This is not to say that European socialists dug their own grave with their 'Social Europe' project. On the contrary, the bet arguably contributed, ironically, to an important evolution in the history of European social democracy – the establishment of a new ideological consensus within terms set by neoliberalism.[896] The defeat of 'Social Europe' in the early 1980s left a strong mark on European socialists. Although unsuccessful, their attempt to seal an 'alliance of all democratic forces' – instead of an alliance of the Left – to support their proposals at the end of

[895] See the chapter "Origins" in Anderson, *The New Old World*.
[896] Sassoon, *One Hundred Years of Socialism*, 1996, 691 and following.

the 1970s had important consequences of the Socialist parties of the EC. It led them to increasingly turn to the centre and right-wing parties for common solutions, therefore abandoning their more radical claims. Moreover, it highlighted the power of the reaction worked out by business circles and right-wing forces, and discouraged subsequent attempts to put forward the 'Social Europe' project.

The European Left – initially except for the British Labour and the French Communists – continued to support the enterprise they had embarked on. Italian communists made their wager on a federal Europe in 1984 when Berlinguer supported the Spinelli project for a European union.[897] The project definitely contributed to distancing Italian communists from their French counterparts and bringing them closer to social democrats. The key role of 'Europeanism' in the Italian communists' long-term 'social-democratisation', or shift to the right, is not in doubt.[898] In the long run, the internal tensions that opposed socialist parties' European turn to their national socialist designs were resolved in a direction that contributed to their shift to the right. The French socialists' renouncement of the *programme commun de la gauche* was a case in point. The quasi-unconditional support of most European socialist parties and unions for the EU today can be traced back to the gamble of the 'long 1970s'. Just like the anti-inflationary consensus appeared to be a more profitable political strategy in term of votes (as inflation affected more people than unemployment), the pro-European stance was a popular choice, at least until the 2000s.

The gamble on the EC as an instrument to implement socialism in Western Europe, as well as 'global planning', was a risky one to say the least. That is in part because economic circles were also placing their bets on the EC, as on other international organisations. They did so in an endeavour to adapt to increasingly globalized, competitive and interconnected markets, and with the aim of transferring policy-making to non-binding organisations, or (in the case of the EC) to spheres of decision-making not subject to the same democratic control. Regarding social policy and legislation, it was more convenient for business lobbies to proceed internationally, at the pace of the slowest nation and in structures less affected by

[897] Maggiorani and Ferrari, *L'Europa Da Togliatti a Berlinguer*, 65–75.
[898] Napolitano's memoirs illustrate remarkably the PCI's evolution into a social-democratic party, and the importance in this regard of its European ties (in particular with the German, Swedish, and the French socialists). Giorgio Napolitano, *Dal Pci al socialismo europeo: Un'autobiografia politica* (Gius.Laterza & Figli Spa, 2011). Bracke, "From the Atlantic to the Urals? Italian and French Communism and the Question of Europe, 1956-1973," 51–52.

political and social pressure.[899] There might be some truth in Bickerton's argument that the 'ever closer union' of European countries modified the very nature of the 'contract' that ties European states to their populations – the responsibility of governments towards their electorate got looser and looser as member states got tied closer and closer together, evolving 'from nation states to member states'.[900]

The defeat of 'Social Europe' had long-lasting consequences for the nature of European integration itself, and of its political economy. The EC, and later the EU, decisively embarked down a more liberal and arguably less democratic road, and became a motor for liberalisation and globalisation.[901] This evolution was supported by the new consensus between social democrats, conservatives and liberals on the neoliberal paradigm. The promise that after a painful but unavoidable period of 'adjustment', happy days of growth, stable prices and full employment would come again, never realised. Instead, a spread of 'crisis' and 'austerity' policies took place. European socialists' lost gamble for Social Europe ironically ended up favouring a fundamental shift in European integration – from the 'external buttress' of the welfare State, to a solid obstacle to equality and social justice in Europe.[902]

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[899] Gobin, "Consultation et Concertation Sociales à l'échelle de La Communauté Economique Européenne," 105-106; 139-150. Gobin saw in the disruption of the post-war contract in the 1970s a deliberate attempt by European political elites to reassert their domination over populations, a sort of reaction to the postwar compromise that was too advantageous to lower classes.

[900] Bickerton, *European Integration*. Bickerton argues: "The importance of membership lies in the fact that national executives need to have their actions and choices bound by a non-political, non-partisan set of rules and norms. These rules need to be emptied of the kind of ideological commitments associated with the institutional apparatus of national Keynes-ianism. The defining feature-and virtue-of these rules is therefore that they exist outside of the politicized environment of national democratic politics, in a non-political, administrative realm", here p. 101.

[901] This was particularly striking concerning the Eastern enlargement. See Dorothee Bohle, "Neoliberal Hegemony, Transnational Capital and the Terms of the EU's Eastward Expansion," *Capital & Class* 30, no. 1 (2006): 57–86.

[902] Milward, *The European Rescue*, 216; Mechi, "Du BIT à la politique sociale européenne."

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