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FORUM

A Flanking European Welfare State: The European Community's Social Dimension, from Brandt to Delors (1969–1993)

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Between 1969 and 1993, a genuine 'European welfare state' was forged at the level of the European Economic Community (EEC), even though this expression was not used per se. After a definition of the welfare state as a three-pronged set of policies, the article develops first the flourishing period in the 1970s, when many ambitious ideas such as a common reduction of working hours, or the control of multinationals, emerged. In a second step, it explains the failure of this project due to the neoliberal backlash of the early 1980s and the division of the welfarist coalition. Ultimately, the whole project was rekindled as a flanking wing of the internal market programme when the latter was launched in 1985. Hence, when the internal market opened up in 1993, a very unique kind of European welfare existed at the international level. It was less redistributive than that of national welfare states and more geared towards the management of common norms.

Introduction

The welfare state originated in the 1942 Beveridge Report, which famously defined it as comprehensive protection 'from cradle to grave'.[1] It included not only social insurance but also the goal of 'full employment'. Social policies had existed beforehand in Britain and elsewhere, but they formed an uneven network of laws on working conditions and incomplete social insurance that post-1945 policies in Western Europe extended in a comprehensive manner. In most European countries, those reforms had also included the extension of workers' rights in the company, the correction of regional imbalances through financial transfers to the poorer areas, and, later on, environmental policy measures. To sum up, a 'welfare state' aims at mitigating the hardships of life and the detrimental effects of capitalism via three sets of measures: (a) laws protecting the weakest or compensating for the negative externalities of capitalism, (b) social insurance and redistributive measures (to benefit the elderly, the sick, etc.), (c) and macro-economic policies focusing on full employment.[2]

This article claims that a peculiar sort of 'flanking welfare state' emerged at the international level in the framework of the European Economic Community (EEC), later superseded by the European Union (EU), between 1969 and 1993. During this period, it covered up to twelve European states, from 1986 onwards, including all the largest Western European states (Germany, Britain, France,

[1] *Social Insurance and Allied Service. A Report by William Beveridge*, Cmd. 6404, 1942. For an international account on the Beveridge Report, which, tellingly, weaves a link with the European Community, see: John Hills, John Ditch and Howard Glennerster, eds., *Beveridge and Social Security: An International Retrospective* (Oxord: Oxford Universty Press, 1994).

[2] This ad hoc definition derives from the fact that even specialists of the welfare state tend to avoid the delicate question of its definition and of its precise boundaries: Nicholas Barr, *Economics of the Welfare State* (Oxford: Oxford University Press, 2012), 7–12. On the close but complex relationship between welfare state policy in a narrow sense and environmental policy, see: Tony Fitzpatrick, *A Green History of the Welfare State* (London: Routledge, 2017) on the British example.

Italy and Spain). While the slogan 'European welfare state' was not used explicitly in those days, this article contends that this expression is useful to capture the wide scope of policies aimed at correcting market imbalances that were promoted from 1969 onwards regarding regulations on work, gender equality, environmental protection and targeted regional redistributive policies, even if they do not cover all welfare state policies (such as health, education and housing, which remained national). Ultimately, the whole process ended as a complement to the single market programme, which eventually opened up as a border-free zone in 1993, i.e. a 'flanking' policy aimed at correcting the detrimental effects of the free-market dynamic.

Identifying the creation of a 'European welfare state' between 1969 and 1993, just at the time of the rise of neoliberal policies, is useful to gauge to what extent European integration was not just about integrating markets.[3] Its convoluted history offers an interesting example of the dynamics and the difficulties of a successful transnational social mobilisation in such a complex institutional framework as the EEC/EU. In terms of international relations, it also shows the opportunities and pitfalls of developing social policies within international organisations, an ambitious undertaking which started with the foundation of the International Labour Organisation (ILO) in 1919.[4]

The European welfare state was 'flanking' the main part of the European integration process, namely the setting up of an integrated market. Hence, it was not comparable to its national counterpart. In theory, the transfer of redistributive policies at the federal level is justified only to address cross-border issues (especially those producing harmful externalities such as pollution or unfair competition) and to generate economies of scale.[5] In contrast, the pooling of sovereignty is pointless in the case of wide discrepancies of preference and high logistical costs. In the case of European integration, social policies were primarily designed to flank the main perceived added value of the Community, namely the common internal market. They were focused on the implementation of common norms. On the contrary, the European welfare state was far less redistributive than the national one, as it hardly covered health, retirement and family benefits, areas where strong national idiosyncrasies remained and where huge administrative costs exist. Only in regional policy was a European dimension developed, as it was directly linked to the aim of correcting imbalances generated by the setting up of the common market.

An academic debate has erupted over the possibility of the development of a 'social Europe'. For certain scholars, such as Fritz Scharpf, EU institutions are inherently hostile to the development of positive integration, and are thus more conductive to free-market policies.[6] On the contrary, Stefano Giubboni argues that the EEC/EU is built on an 'economic constitution' consistent with the development of social policies, not only at the national level, as Alan Milward famously argued in *The European Rescue of the Nation-State*, but also at a supranational level, even if they do not exactly mirror the national welfare state.[7]

This article adopts the second approach and substantiates that claim with an empirical innovation: recourse to a vast series of original material in archives of the three most powerful national governments (in Britain, France and West Germany) and of the European Commission, i.e. the four main

[3] On the complex relationship between neoliberals and European integration see: Quinn Slobodian, *Globalists. The End of Empire and the Birth of Neoliberalism* (Cambridge, MA: Harvard University Press, 2018); Roberto Ventresca, 'Neoliberal Thinkers and European Integration in the 1980s and the Early 1990s', *Contemporary European History*, 31, 1 (2022), 31–47. More generally on the economic debates on European integration between 1945 and 2021 see: Laurent Warlouzet, *Europe contre Europe. Entre liberté, solidarité et puissance* (Paris: Cnrs éditions, 2022).

[4] Sandrine Kott and Joëlle Droux, eds., *Globalizing Social Rights: The International Labour Organization and Beyond* (Basingstoke: Palgrave Macmillan, 2013).

[5] Wallace Oates, *Fiscal Federalism* (New York: Harcourt Brace Jovanovich, 1972).

[6] Fritz Scharpf, *The Double Asymmetry of European Integration, or Why the EU Cannot Be a 'Social Market Economy'* (Cologne: MPIfG Working Paper, 2009).

[7] Stefano Giubboni, *Social Rights and Market Freedom in the European Constitution: A Labour Law Perspective* (Cambridge: Cambridge University Press, 2006); Alan Steele Milward, *The European Rescue of the Nation-State* (London: Routledge, 1992).

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actors in the EEC decision-making process. It will also build on recent, and expanding, historical literature in this field, as well as on studies by political scientists who lacked access to archival material.[8]

A first section will trace the burgeoning developments of many projects for a 'European welfare state' in the 1970s, followed by a second section examining the neoliberal backlash and the weaknesses of the welfarist coalition. A third section will envisage the redefinition of this endeavour solely as a supplement to the single market in 1985, and its subsequent implementation until the opening up of the border-free internal market in 1993.

A Blossoming and Innovative European Welfare State (1969–1979)

While welfare state policies existed only at the national level for the first two decades of European integration, a piecemeal and diversified European welfare state emerged between 1969 and 1979 in specific areas, usually new fields of public policies and/or issues deemed particularly relevant at the European level. At the start, the Treaty of Rome, signed in 1957 to create the EEC, contained one rather general article promoting the 'improvement of the living and working conditions of labour so as to permit the equalisation of such conditions in an upward direction' (Article 117 EEC). However, it required a unanimous vote of all the member-states' representatives at the Council of Ministers.

The only common social policy was to be found in a field already ripe for international agreements: the migration of workers. The Italian governments and commissioners successfully lobbied to obtain European-wide welfare rights for migrant workers, the vast majority of whom originated from southern Italy in those years. European measures included the harmonisation of law (for example, regulation 1408/71, which facilitated the attribution of social security rights) and the funding of vocational training through the European Social Fund.[9] However, this policy was not a pure innovation of the EEC. It built on initiatives already taken by the European Coal and Steel Community (ECSC) and by the International Labour Organisation.[10]

From 1969 onward, the context became more conductive to the development of European social policies for two reasons. From an ideological point of view, the 1968 progressive movements supported both the extension of the welfare state towards new areas (notably, gender equality and the preservation of the environment) and its internationalisation. From a political point of view, in terms of European integration, 1969 marked the departure of the French conservative leader Charles de Gaulle – one of the main obstacles to the development of European integration[11] – and the advent at the helm of the West German government of the ambitious Social Democrat Willy Brandt. The new chancellor enthusiastically supported the development of new European policies, notably in the social arena.

German archives contain numerous documents showing the government's commitment to promoting a European social agenda. In 1970, Bonn proposed to work on the creation of a 'European

[8] See the references of historical literature throughout the article and in particular: Aurélie Andry, 'Was There an Alternative? European Socialists Facing Capitalism in the Long 1970s', *European Review of History*, 26, 4 (2019), 723–46; Lucia Coppolaro and Lorenzo Mechi, eds., *Free Trade and Social Welfare in Europe: Explorations in the Long 20th Century* (London: Routledge, 2020); Laurent Warlouzet, *Governing Europe in a Globalizing World: Neoliberalism and its Alternatives Following the 1973 Oil Crisis* (London: Routledge, 2018); in political science, among others: Amandine Crespy, *Welfare Markets in Europe: The Democratic Challenge of European Integration* (Basingstoke: Palgrave Macmillan, 2016), Stephan Leibfried and Paul Pierson, *European Social Policy: Between Fragmentation and Integration* (Washington, DC: Brookings Publications, 1995).

[9] Lorenzo Mechi, 'Managing the Labour Market in an Open Economy: From the International Labour Organisation to the European Communities', *Contemporary European History*, 27, 2 (2018), 221–38.

[10] Ibid.; Simone Paoli, 'Migration in European Integration: Themes and Debates', *Journal of European Integration History*, 22, 2 (2016), 279–96; Antonio Varsori, 'Development of European Social Policy', in W. Loth, ed., *Experiencing Europe: 50 Years of European Construction, 1957–2007* (Baden-Baden: Nomos, 2009), 169–92; Nicolas Verschueren, 'From Steel House to Mass Housing for the Working Class', *Journal of European Integration History*, 22, 2 (2016), 249–62.

[11] Piers Ludlow, *The European Community and the Crises of the 1960s: Negotiating the Gaullist Challenge* (London: Routledge, 2006).

social budget' and to take a first step towards the harmonisation of national social security provisions, an arguably very complex endeavour due to the sheer diversity of insurance systems.[12] In 1973, the German Minister of Labour, the Social Democrat and former trade unionist Walter Arendt, wrote to the European Commissioner for Social Affairs (at that time, it was the Irish Patrick Hillery who was in charge) to request more initiatives from the Commission, in particular with regard to codetermination and to European negotiation between social partners.[13] In those years, West Germany was in the midst of a fierce debate over the extension of its codetermination system, a system which ensured significant participation by workers in the management of certain companies.

Brandt's project was supported by various other decision-makers, such as the Italian Minister of Labour Carlo Donat Cattin and the European Commissioner for Social Affairs Albert Coppé, a former Belgian trade unionist.[14] He could also count on the support of a new actor, the European Trade Union Confederation (ETUC), formed precisely during the very same years, namely in 1973. This demonstrated a growing interest in the EEC of the majority of non-communist trade unions.

The project of an EEC 'social action programme' took shape in 1973. The German Minister of Labour and Social Affairs nevertheless complained to the European Commission that the debate remained too nebulous, especially with regard to workers' rights in companies, the coordination of wage negotiations within companies, and the provision of significant funding for European social policies.[15] Tellingly, the two other major leaders of the EEC, British Prime Minister Edward Heath and French President Georges Pompidou, both of whom were conservatives, worried about Brandt's ambitious plan for social Europe when they met.[16] In January 1974, the European Social Action Programme was adopted, but it remained vague and ambiguous.

European social policies took off progressively in the 1970s. The European Commission multiplied the initiatives, but the British Permanent Representative remarked in 1976 that 'in most cases the legal form of the instruments to which he referred was unsettled'.[17] In other words, the Commission multiplied reports and proposals but secured few binding laws, since unanimity was still required in the Council of Ministers for every piece of legislation in those years, and few member-states, including West Germany, wanted to delegate sensitive areas of sovereignty such as social affairs to Brussels.

Overall, a European welfare state gradually materialised in a piecemeal fashion when three conditions were met: (1) a problem deemed transnational, and hence of community competence, surfaced; (2) a coalition of actors emerged in several states and at the European Commission; and (3) the core constituents of the national welfare states (i.e. its provisions on healthcare, pensions and unemployment) were not affected. For example, when the new Commissioner for Social Affairs Henk Vredeling wanted to promote an EEC action in health in 1977, the British government sternly opposed any discussion in this field. According to Whitehall, useful discussion on international cooperation in health was already taking place within the framework of the World Health Organisation (WHO), rendering any specific EEC action redundant.[18] An additional and unspoken reason was also probably the sheer pride of the British in their National Health Service (NHS).

A first logical field of action was the harmonisation of working provisions, as they were directly linked to the optimal functioning of the common market. Since it was impossible to harmonise the

12 German national archives (Koblenz) [hereinafter GNA], B 136/14918, Anlage zur Kabinettvorlage über die Europapolitik der Bundesregierung, 16 Oct. 1970.

13 GNA, B 136/14918, letter, 'Bundesminister für Arbeit und Sozialordnung' to Patrick Hilley, 1 Aug. 1973.

14 Antonio Varsori, 'Le développement d'une politique sociale européenne', in Gérard Bossuat, Éric Bussière, Robert Frank, Wilfried Loth and Antonio Varsori, eds., *L'expérience européenne. 50 ans de construction de l'Europe. 1957–2007. Des historiens en dialogue* (Brussels: Bruylant, 2010), 256–7.

15 GNA, B 136/14918, letter, 'Bundesminister für Arbeit und Sozialordnung' to Patrick Hilley, 1 Aug. 1973.

16 The British national archives (Kew) [hereinafter TNA], PREM 15/1503, note on a meeting Heath-Pompidou on 17 Nov. 1973.

17 TNA, FCO 30/3252, note UKREP, 3 Feb. 1976.

18 TNA, PIN 34/520, note Hindmarsh: brief for Vredeling visit on 24 Jan. 1977; note on a meeting with Vredeling, 24 Jan. 1977.

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costliest aspects of these provisions (such as working time: see below), the Commission concentrated, from the 1970s onwards, on a string of legislation on dismissals and on health and security at work (with an action programme in 1978 followed by sectoral directives – for example on asbestos in 1983).

The path was even more promising in the area of gender equality, which was a relatively new and secondary field of action in welfare policies at the time. Provisions on gender equality existed in most European states, but their implementation varied vastly. Paradoxically, in 1957 the French government had insisted on inserting in the Treaty of Rome article 119 on 'the principle of equal remuneration for equal work' between men and women not out of a feminist thrust but for economic reasons, since it estimated that its female workers received a higher wage than in other EEC countries. Paris quickly lost interest in this article, but it was then taken over by feminist activists such as Belgian lawyer Eliane Vogel-Polsky, who used it to promote gender equality.[19] She successfully used the European Court of Justice in the 1970s to promote a broad interpretation of article 119 thanks to favourable decisions. This judicial activism was thus completed by directives issued by the Commission. Nevertheless, the issue remained contentious. In 1974, the British Treasury complained that an extensive implementation of article 119 EEC would entail important additional costs for British companies. Whitehall underlined that EEC legislation was more constraining than the ILO conventions on equal pay already ratified by London.[20]

Another new field of action was the environment. The first UN convention on the environment, held in Stockholm in 1970, was parallel to the setting up of the first ministries of the environment in most of Western Europe. Since no mention of the environment was made in the Treaty of Rome, the Commission proposed to take action in several specific transnational issues, as it was easier to find a legal basis for a Community action for a cross-border phenomenon. Hence, the Community protected birds in a far-reaching 1979 directive, since they were a migratory species that crossed borders.[21] In 1976, after the Seveso disaster – a dioxin leak that affected tens of thousands of Italians – Henk Vredeling, the European Commissioner for Social Affairs, prioritised the adoption of a directive on security in chemical plants despite reservations by many member-states about the cost of such measures.[22] The 'Seveso' directive was finally adopted in 1982, and was upgraded regularly thereafter.

Even a limited redistributive welfare scheme was created in the 1970s, i.e. regional policy. It aimed at subsidising development schemes in the poorest EEC regions. It was a response to Italian, British and Irish calls for more solidarity towards their poorest regions (notably, the Italian Mezzogiorno and the British Rust Belt). During the enlargement negotiations, British Prime Minister Edward Heath requested the creation of a fully-fledged regional policy.[23] It materialised with the creation of the European Regional Development Fund (ERDF) in 1975, a rather modest redistributive scheme at first, not least because the new British Labour government was much less enthusiastic about the EEC than Heath, and remained sceptical about it as it entailed new expenditures, and new delegation of power to the Commission.[24] With the advent of Thatcher in 1979, the opposition grew.[25] At the same time, the German government led by Helmut Schmidt, a Social Democrat with more free-market views than Brandt, insisted on the need to limit EEC expenditures by defining rigorous criteria of

19 Elizabeth Vallance and Elizabeth Davies, *Women of Europe: Women MEPs and Equality Policy* (Cambridge: Cambridge University Press, 1986).

20 TNA, FCO 30/2545, note Treasury, 19 Nov. 1974.

21 Jan-Henrik Meyer, 'Saving Migrants: A Transnational Network Supporting Supranational Bird Protection Policy', in Wolfram Kaiser, Brigitte Leucht and Michael Gehler, eds., *Transnational Networks in Regional Integration. Governing Europe 1945–83* (Basingstoke: Palgrave Macmillan, 2010), 176–98.

22 TNA, BNA, PIN 34/520, Brief for the meeting with Vredeling on 12 July 1979.

23 Stephen George, *An Awkward Partner: Britain in the European Community* (Oxford: Oxford University Press, 1994), 56–66.

24 TNA, FCO 30/3871, brief, Regional Policy, 4 July 1978; *Akten zur Auswärtigen Politik der Bundesrepublik Deutschland* [hereinafter AAPD], 1978, 314, note on a meeting between British and German representatives, 19 Oct. 1978.

25 French National Archives [hereinafter FNA], 5AG4/916, note du conseiller à la Présidence de la République, G.de Panafieu, 28 nov. 1979.

management to avoid any waste of money.[26] In Paris, the reluctance was real too, even if less vocal, since the French government officially supported the development of EEC social policies, which was one of the priorities of the 1979 French presidency.[27] Paris wanted to limit as much as possible the Commission's leeway in the management of the ERDF, and to preserve the integrity of French regional policy. The position remained the same even under the Socialist government: in 1983, Paris aligned with Bonn on the refusal of the Commission's proposal to vastly increase regional policy funding in order to take into account the enlargement to poorer countries (Greece in 1981, and Portugal and Spain due to join soon).[28]

Last but not least, the European Community even strived to shape the macro-economic framework underpinning the welfare state – namely, the commitment to full employment. After 1973, ETUC leaders met regularly with EEC institutions and promoted a concerted stimulus, that is to say a coordinated policy among European countries to reflate the economy, and hence address the rising tide of unemployment.[29] The idea gained traction among left-wing leaders and among the countries who experienced the failure of their national stimulus launched after 1973, most of which led to more inflation and deficits, but hardly less unemployment. In 1978, Western Europeans and North American leaders agreed on a so-called 'locomotive' package promoted by the OECD, the EEC and the G7. This was a bold attempt to organise a concerted reflationary plan, with the countries in surplus (West Germany) spending more than those in deficit (the UK). Hence, the latter would benefit from the higher level of spending of the former.

The 1979 second oil shock shattered this attempt of concerted stimulus. It even triggered a temporary deficit of the German balance of payments, traumatising the German Bundesbank, which feared a 'crisis of confidence' in the deutschmark in early 1981,[30] a bleak reminiscence of the monetary turmoil of the 1920s (even if the West German rate of inflation had always remained under control and below the European average in the 1970s). The only agreement that Bonn was ready to commit to was the European Monetary System (EMS), a zone of monetary stability predicated upon the convergence towards German stability-oriented policies.[31]

On the whole, a piecemeal welfare state developed at the European Economic Community level in the 1970s, mainly in areas considered as secondary even though they brought concrete benefits to the weakest Europeans. But the grandest schemes all failed due to the weakness of the welfarist coalition.

The Weaknesses of the Welfarist Coalition Facing the Crisis (mid-1970s–early 1980s)

The project of setting up a European welfare state came too late to be fully implemented for two reasons: first, a context of economic crisis (with the so-called 'global shock' from the mid-1970s to the early 1980s),[32] which fuelled a neoliberal backlash, and second a heterogenous and largely ineffective European welfarist coalition, as the debates about the reduction of working time and the democratisation of companies illustrates.

To begin with, the crises of 1973 and 1979 led to a tenfold rise in the price of oil, the most important source of energy, and a raw material for many industries (chemical, synthetic textile, etc.). Mechanically, it led to more deficit, less growth and more unemployment. Therefore, a major feature

[26] TNA, PREM 16/398, German memorandum, sent on 12 Nov. 1975.

[27] FNA, 5AG3/921, note Cannac for Pierre-Brossolette, 25 Oct. 1974.

[28] FNA, 5AG4/EG/34, note from the French embassy in Bonn, 28 Nov. 1983.

[29] Harold James, *International Monetary Cooperation* (Washington, DC: International Monetary Fund, 1996), 289–94.

[30] Bundesbank archives (Frankfurt-am-Main), *B 330/11165*, Sitzung des Zentralbankrats der Deutschen Bundesbank, 19 Feb. 1981.

[31] Emmanuel Mourlon-Druol, *A Europe Made of Money: The Emergence of the European Monetary System* (Ithaca: Cornell University Press, 2012).

[32] Niall Ferguson et al., eds., *The Shock of the Global: The 1970s in Perspective* (Cambridge, MA: Harvard University Press, 2011); Francesco Petrini, 'Stabilization through Integration: The European Rescue of Italian Capitalism', *European Review of History*, 26, 4 (2019), 573–99.

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of postwar welfarist policies, the Keynesian macro-economic management typical of the 1950s–1960s, based on the government keeping the balance between growth and inflation, became untenable: each time a government launched a stimulus package, inflation and the deficit were fuelled, but unemployment remained high. Higher deficit forced rich countries, such as the United Kingdom in 1976 and Italy in 1977, to the shameful call to an IMF rescue package. As a result, Western governments progressively shifted their priorities: they abandoned the goal of full employment in the short term, and prioritised instead low inflation in order to restore full employment again later on.

In due time, this economic crisis fuelled the rise of alternative economic recipes, notably neoliberal ones. Neoliberal policies are defined precisely by their willingness to radically reduce the welfare state, by greatly expanding market forces, and more generally by moving far beyond the moderate vision of classical liberals such as Adam Smith.[33] With the arrival of Margaret Thatcher at the helm of the British government in 1979, a clear neoliberal agenda aimed at retrenching the welfare state was enacted and implemented. Other EEC states followed the same path, albeit in a less radical way – especially, Belgium (Maertens government in 1981), the Netherlands (Lubbers, 1982), West Germany (Kohl, 1982), Denmark (Schlüter, 1982) and France (in 1983 but mostly in 1986 with the Chirac government). The British neoliberal inspiration was not exclusive and hegemonic, as many national idiosyncrasies remained. But Britain clearly represented a model for some. For example, the French leader of the right Jacques Chirac expressed his admiration for Thatcher's economic policies during a visit to the Chancellor of the Exchequer in late 1983, and he even regretted that she did not go further on tax reduction.[34] In addition, some neoliberal thinkers took a stronger interest in European institutions that they had disregarded as too protectionist in the 1950s and 1960s.[35]

On top of that, the welfarist coalition itself was divided. The communists, who were the most important part of left-wing parties and trade unions in several European countries, notably France, Italy and Spain in those days, were hostile or lukewarm to European integration. Even for the Italian PCI, which had a more moderate position than the hard-line French PCF (who defended the invasion of Afghanistan in 1979), it was still impossible for most communist voters to support a comprehensive increase of EEC competences. Conversely, the alliance of the French Socialists with the old-fashioned PCF drew a wedge between the two left-wing leaders Schmidt and Mitterrand.[36] Tellingly, communist trade unions did not take part in the ETUC at first.

Even among the non-communist trade unions and parties, many actors remained highly sceptical of European integration – a project usually associated with centre-right Christian Democrats. The most hostile to European integration were the British trade-unions (the TUC) and the Labour Party. The willingness of the majority of Labour's delegates to adopt a motion to leave the EEC even provoked a split with the creation of a dissident pro-European Social Democratic Party in 1981 led by, among others, Roy Jenkins, a former president of the European Commission.[37] In France, the Socialist Party was in theory pro-European but in practice overwhelmingly focused on internal affairs.[38] When it came to power in 1981, the Socialist Party focused on a nation-centred economic and social policy, side-lining pro-EEC leaders such as Jacques Delors, the Minister for Economics and Finance between 1981 and 1983. After 1983, the French Socialist Party took a keener interest in the EEC, but it remained divided. Equally, in West Germany, the ambitious vision of Brandt (chancellor 1969–74) was overshadowed by the more cautious and managerial approach of Schmidt

[33] Daniel Stedman Jones, *Masters of the Universe: Hayek, Friedman, and the Birth of Neoliberal Politics* (Princeton: Princeton University Press, 2012), 102–13; Slobodian, *Globalists*.

[34] TNA, PREM 19/1025, note on a conversation between Jacques Chirac and the Chancellor of the Exchequer, 30 Nov. 1983.

[35] Slobobian, *Globalists*.

[36] See for example their tense meeting of 1977 (when Mitterrand was in the opposition): AAPD 1977, Doc. 264, note on a Schmidt-Mittd meeting, 29 Sept. 1977.

[37] Piers Ludlow, *Roy Jenkins and the European Commission Presidency 1976–1980: At the Heart of Europe* (Basingstoke: Palgrave Macmillan, 2016).

[38] Matthieu Fulla, 'Quand Pierre Mauroy résistait avec rigueur au 'néolibéralisme' 1981–1984', *Vingtième Siècle*, 138 (2018), 49–63.

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(chancellor 1974–82), who was not eurosceptic but who prioritised, above all, value for money: the need to avoid any superfluous increase in EEC expenditures and competence.[39]

This balance of power is visible in the failure of the most ambitious projects of social Europe: the reduction of working time, and the democratisation of companies. With the rise of unemployment after the oil shock, many trade unionists and politicians took a growing interest in limiting working time. It was one of the top priorities of the new commissioner for social affairs appointed in 1977, the Dutch social democrat Henk Vredeling.[40] However, the left-wing British and German governments were reluctant both for reasons of competitiveness (they did not want to increase their labour costs) and for fear of handing over too much power to Brussels.[41] A Europeanisation of working-time negotiations was especially difficult in West Germany, where this matter was devolved to decentralised negotiations conducted by trade unions and business representatives on a sectoral and contractual basis.

Surprisingly, some support for the Commission's aim existed in the centre-right French government. The Labour minister Robert Boulin was interested in promoting 'social Europe', one of the two priorities of the French presidency of the first semester of 1979, together with energy policy.[42] Paris advocated a much more cautious position than the trade unions: reduction of working time should be achieved by promoting more flexible arrangements and should not be compensated by higher wages.[43] In those days, French internal studies showed that the French working time was one of the highest in the Western world, with 1,900 hours per year (against 1,820 hours in the United Kingdom, 1,750 hours in West Germany and in Belgium, and 1,700 hours in the United States).[44] Boulin was relatively ambitious since he envisaged the conclusion of a framework directive at the European level, which would then be negotiated by trade unions and business representatives in each sector.[45] By contrast, Vredeling adopted a maximalist position by aiming at a European-wide 35-hour workweek.[46]

The French initiative drew a cautious response from the German government.[47] Even the British Labour government opposed it.[48] A few months later, Thatcher came to power and reinstated the British refusal more vigorously. In the end, only a non-binding resolution was adopted on 22 November 1979.[49]

Even the advent in 1981 of a French Socialist government keen on reducing working time did not rekindle the debate. Many French Socialist officials considered that social policy was the exclusive remit of governments.[50] As a result, the French memorandum on Social Europe released at the end of 1981 called only for the implementation of the resolution of November 1979 on working time.[51]

39 Hartmut Soell, *Helmut Schmidt. 2: 1969 bis heute. Macht und Verantwortung* (Munich: Deutsche Verlags-Anstalt, 2008).

40 TNA, FCO 30/395213, note UKREP of 25 Sept. 1978. More generally on the reduction of working time: Andry, 'Was There an Alternative?'.

41 TNA, PIN 34/520, brief for the meeting with Vredeling on 12 July 1979.

42 FNA, 5AG3/915, note DAEF, 12 Mar. 1979; FNA-MAE, DECE 1484, note, 4 Jan. 1979; DECE 1489, note DAEF, 6 Mar. 1979; FNA, 5AG3/915, notes from the cabinet of the President, Olivier Fouquet, 6 and 9 Mar. 1979; note from the Labour Ministry, 6 Mar. 1979.

43 FNA, 5AG3/916, note, SGCI, 18 June 1979; FNA-MAE, DECE 1490, note SGCI, instructions from Barre, 10 May 1979.

44 FNA, 5AG3/915, note from the cabinet of the President, Olivier Fouquet, 9 Mar. 1979; note from the Labour Ministry, 6 Mar. 1979.

45 FNA, 5AG3/915, note on the meeting of the EEC Labour ministries, 9–10 Mar. 1979; FNA, 5AG3/915, note from the cabinet of the President, Olivier Fouquet, 12 Mar. 1979.

46 FNA, 5AG3/916, note SGCI, Pierre Achard, 29 May 1979.

47 FNA-MAE, DECE 1490, note SGCI 22 May 1979; FNA-MAE, DECE 1422, opinion of the Economic Policy Committee, 26 Oct. 1979.

48 TNA, PREM 16/2043, brief for the Prime Minister, 8 Mar. 1979.

49 FNA-MAE, DECE 1491, note SCGI, 19 June 1980; FNA, 5AG3/916, note from the cabinet of the President, Guy de Panafieu, 28 Nov. 1979.

50 FNA-MAE, DECE 1835, note from the Research Ministry, DGRST, 26 Aug. 1981; note from the Economic and Finance Ministry, 14 Sept. 1981; notes from the Labour Ministry, 24 June 1981, 25 Aug. 1981 and 16 Sept. 1981.

51 FNA-MAE, DECE 1835, French memorandum, sent on Dec. 1981 by the Foreign Affairs Ministry.

In May 1983, during an ETUC meeting, the Minister for Industry Laurent Fabius, a close collaborator of President Mitterrand, explained that the reduction of working time in France led to unanticipated difficulties, so any European initiatives on this front should be limited.[52]

The same reluctance of national governments, including left-wing governments and even some trade unions, was visible in another major battle of those years: the democratisation of multinationals.[53] This proposal lay at the confluence of two left-wing projects: the control of multinationals and the democratisation of companies. The first one was linked to the growing power of multinationals since the late 1960s, when the globalisation of trade and of capital flows resumed.

The debate on the democratisation of companies originated in West Germany, with the codetermination laws of 1951, which gave half of the supervisory board's seats to employee representatives for certain companies. The debate was rekindled in the late 1960s: the new German Social Democratic government aimed at enlarging codetermination, and eventually passed a new law in 1976. Meanwhile, high level committees were set up in 1975 in France (the Sudreau Committee) and in Britain (the Bullock Committee) to examine its implementation in both countries. Chancellor Schmidt was quite supportive, encouraging German-British talks on the issue in 1975.[54]

But left-wing parties and trade unions were divided on the issue. For the most radical, including most of the British TUC and the communist organisations, codetermination equalled class collaboration. In the 1970s, the French Socialist Party preferred *autogestion* (workers' self-management) to codetermination; and, moreover, the personal relationship between Mitterrand and Schmidt was difficult.[55] In the end, only the German law was passed.

In 1980, the Dutch social democrat commissioner (and former trade unionist) Henk Vredeling proposed a draft EEC law directive aimed at democratising large companies by improving the representation of workers on the board. Dubbed the 'Vredeling Directive', it was strongly supported by the ETUC, which was disappointed by the failure of similar attempts in other international organisations such as the UN, where non-binding texts with negligible impact had been adopted.[56] By contrast, EEC law was binding.

The 'Vredeling Directive' stirred major controversy at the European Parliament, where its supporters were overwhelmed by the lobbying of business organisations. US companies were particularly irritated by an extra-territorial clause that allowed European workers of a European subsidiary to appeal directly to the US headquarters. In 1981, Oskar Vetter, the leader of the German trade union confederation DGB (and former leader of the ETUC from 1974 to 1979), criticised the pressure of big business on the European Parliamentary debate.[57] In 1982, he denounced a 'destructive campaign of the Capital on both sides of the Atlantic to stop this directive'.[58]

But apart from the ETUC, the mobilisation of the left-wing actors remained subdued. The German Social Democratic government (in power until 1982) and the French Socialist government (in power after 1981) gave only cautious support.[59] Of course, the stern opposition of the Thatcher government left very few chances to the directive, but the absence of positive mobilisation from left-wing leaders is nevertheless daunting. Eventually, in 1985, the draft directive was buried in

52 ILO archives (Geneva), 238.121, note on the ETUC meeting of 9–11 May 1983.

53 Francesco Petrini, 'Demanding Democracy in the Workplace: The European Trade Union Confederation and the Struggle to Regulate Multinationals', in W. Kaiser and J.-H. Meyer, eds., *Societal Actors in European Integration: Polity-Building and Policy-Making, 1958–1992* (Basingstoke: Palgrave Macmillan, 2013), 151–72; Warlouzet, *Governing Europe*, 57–77.

54 Mathias Haeussler, *Helmut Schmidt and British-German Relations: A European Misunderstanding* (Cambridge: Cambridge University Press, 2019), 103.

55 AAPD, 1977, Doc. 264, note on a meeting between Helmut Schmidt and François Mitterrand, 29 Sept. 1977.

56 Petrini, 'Demanding'; Warlouzet, *Governing Europe*, 57–63.

57 Archives of ETUC (Amsterdam) [hereinafter AETUC] 2212, press release DGB, 26 May 1981; Warlouzet, *Governing Europe*, 70–4.

58 AETUC 2212, official note by DGB, 18 May 1982.

59 AETUC 2212, note Bundesrat, debates on 8 May 1981; FNA, 5AG4/EG/36, note SGG, interministerial committee of 25 Oct. 1983; AMAEF, DECE 2023, note 11663/83 of 9 Jan. 1984.

the sand after the committee of national representatives stated that the differences of views were too great to be overcome.[60]

A Flanking Welfare State under Neoliberal Pressure (1985–1993)

Faced with such an adversarial context, the supporters of a European welfare state refashioned their ambition around the flagship project of European integration in those years, namely the 'single market', which aimed at the removal of frontier controls within the Community. Launched in 1985, it was to become effective on 1 January 1993. Hence, the European welfare state became a flanking policy, designed to complement and ease the transition to the setting up of a unified market. This is visible both in the division of European leaders and in the subsequent implementation of the ambitious plan of Jacques Delors, the President of the Commission (1985–95), who managed to develop a heterogeneous European welfare state covering many fields.

First, while the internal market programme unified a broad coalition of actors, this was not the case for welfare policies. Neoliberals such as Thatcher defended a single market based on 'deregulation' – i.e. the harmonisation of rules by adopting the lowest possible standard so as not to impose 'burden on business', to borrow her expression.[61] The Dutch government of Rudd Lubbers also used the term 'deregulation' as an objective to promote in 1985.[62]

By contrast, left-wing governments were interested but were generally wary of handing over too much power to the Commission. Besides, they had different priorities depending on their national interests: the French Socialist governments under the presidency of François Mitterrand (1981–6 and 1991–3) usually defended an upward harmonisation of rules to compensate the high French labour cost. The Spanish Socialist government of Felipe Gonzales (1982–96) was more interested in regional policy, and more cautious against any measures that might dent his country's competitiveness. The Greek Socialist prime minister Andreas Papandreou was hostile to any move towards more supranational procedures, despite being very vocal in his call for more funds for the poorest region.[63] During the 'relaunch of Europe' in 1984–5, he joined the United Kingdom and Denmark in the 'Luxembourg Compromise Club', the group of countries that refused an enlarged use of qualified majority voting.

Conservative governments were more reluctant toward welfare policies, but some were genuinely supportive of more European integration, such as the German government of Helmut Kohl (1982–98).[64] Kohl himself was close to Delors, despite their disagreements over many economic issues. The German government in particular was especially concerned (notably, under pressure from the Länder and the Bundesrat) by the necessity to preserve high standards, which it thought to be possibly threatened by a downward European harmonisation.[65] The German, Dutch and Danish governments were generally supportive over most regulation supporting environmental protection, and hostile to any increase in EEC funding, notably over regional policy.

At the crossroads of these leaders stood Jacques Delors, the president of the European Commission from 1985 to 1995, who managed to establish a flanking European welfare state.[66] A Social Christian

60 Archives of the European Union (Florence) [hereinafter AEU], BAC 42/1988, 1613, brief Niessen to Cockfield, 22 May 1985; FNA, Foreign Affairs Ministry archives, DECE 2432, Coreper report, 6 June 1985.

61 TNA, PREM 19/1751, Letter from the Paymaster General to Thatcher, Nov. 1986; letter from Howe (Foreign Secretary) to Thatcher, 6 Oct. 1986.

62 TNA, CAB 193/455, note from the Dutch government, 12 Feb. 1985.

63 TNA, PREM 19/1490/1, steering brief for the European Council, FCO, 26 Mar. 1985; CAB 193/455, note Cabinet Office, Private Secretary, Charles Powell, 2 Mar. 1985, on a Thatcher/Maertens meeting.

64 Eckart Gaddum, *Die deutsche Europapolitik in der 80er Jahren. Interessen, Konflikte und Entscheidungen der Regierung Kohl* (Munich: Schöningh, 1994).

65 GNA (Coblence), B 102/3422569, note on a conference of the Länder's Ministers of Economics, 24 Nov. 1983 Karslruhe; AAPD, document nb 311; note on a meeting between Kohl and Delors, 11 Nov. 1985.

66 Helen Drake, *Jacques Delors: Perspectives on a European Leader* (London: Routledge, 2000); Ken Endo, *The Presidency of the European Commission under Jacques Delors: The Politics of Shared Leadership* (Basingstoke: Macmillan, 1999).

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trade unionist himself, at the European Commission he could count on the support of left-wing commissioners, but he had to face bold neoliberal commissioners intent on promoting a 'deregulation' agenda, such as Peter Sutherland and Leon Brittan.[67]

Soon after his arrival at the helm of the European Commission, Delors unveiled a comprehensive project during a famous speech delivered before the European Parliament on 14 January 1985.[68] The speech is often remembered for Delors's plea to create a unified internal market without borders by 1992 thanks to the streamlining of European institutional procedures such as the adoption of qualified majority voting instead of unanimity at the EEC Council of Ministers. But it is often overlooked that this programmatic speech had an obvious social dimension. The new president called for a 'minimal harmonisation of social rules' to avoid 'social dumping'. This harmonisation needed to be achieved both by the classical method of adopting directives and regulations in the Council of Ministers, and by a new innovative tool: the signing of 'European collective agreements' by trade unions and business representatives. Here, the background of Delors as a trade unionist was visible. He also wanted to promote a stronger regional policy.

The implementation of Delors's programme began with the single market programme, which was transformed into a binding obligation by the 1986 Single Act Treaty. It was now possible to use qualified majority voting for all texts related to the single market, most of them being various norms that needed to be harmonised to allow for the free movement of goods. The social dimension was present in the Single Act's Article 18, according to which laws concerning health, safety, environment and consumer protection should be harmonised in order to ensure a 'high level of protection'.[69] But qualified majority voting was not extended to the rights of employed persons or to their movements, nor to social policy in general. Hence, it devised a targeted European welfare state flanking the single market.

The programme of the welfarist coalition was implemented quickly if only in specific areas. The most well-known development is the flurry of legislation which originated in Brussels because the removal of border controls required at least 300 pieces of legislation to be adopted before 1 January 1993 in a wide range of domains, from the security of toys to the value-added tax. In some of these texts, a welfare element exists, notably in those related to health and security,[70] to the movement of people (such as the Erasmus programme adopted in 1987), and to environmental protection. Progress was difficult, since many states resented the creation of ambitious supranational social and environmental policies. The opposition of Margaret Thatcher was the most famous, but other leaders hid behind her. When German Chancellor Helmut Kohl met his Italian counterpart, Prime Minister Ciriaco De Mita, in 1988, both expressed their hostility to the creation of 'social-democrat bureaucracy' at the European level.[71] On the whole, however, legislation progressed. The EU even appeared to replace the United States as a world leader in environmental legislation, albeit from lack of serious contenders.[72]

In addition, Delors and some trade unions promoted a European social dialogue between the Commission, the European trade unions (ETUC) and the European business organisation (UNICE). As a former trade unionist himself, Delors was keen on relaunching the tripartite talks that had existed in the 1970s by focusing them on the adoption of European collective conventions, rather than by holding general discussions.[73] He convened a first tripartite meeting as early as

67 George Ross, *Jacques Delors and European Integration* (Cambridge: Polity Press, 1995); Laurent Warlouzet, 'The Centralization of EU Competition Policy: Historical Institutionalist Dynamics from Cartel Monitoring to Merger Control (1956–91)', *Journal of Common Market Studies*, 54, 3 (2016), 725–41.

68 European Commission, *The Thrust of the European Commission: Statement by Jacques Delors*, 14 Jan. 1985.

69 Single Act, article 18 modifying article 100.a.3.

70 Leibfried and Pierson, *Social Europe*.

71 AAPD 1988, 332, note on the meeting between Kohl and De Mita, 22 Nov. 1988.

72 Daniel Kelemen and David Vogel, 'Trading Places: The Role of the United States and the European Union in International Environmental Politics', *Comparative Political Studies*, 43, 4 (2010), 427–56; Anthony Zito, *Creating Environmental Policy in the European Union* (Basingstoke: Macmillan, 2000).

73 Claude Didry and Arnaud Mias, *Le moment Delors. Les syndicats au cœur de l'Europe sociale* (Brussels: Peter Lang, 2005).

31 January 1985, a few days after he took office.[74] Delors garnered support from some major European trade unionists such as the Italian Bruno Trentin (CGIL) and the Frenchman André Bergeron (FO).[75] Others were more sceptical, such as the German Breit (DGB), who underlined the impossibility of limiting the national right of social partners to establish national collective conventions. The ETUC remained divided on the issue.[76]

Delors managed to get the social dialogue inserted in the Single Act (article 22) and, to a larger degree, in the Maastricht Treaty, whose protocol on social policy (not signed by the United Kingdom) allowed social partners to conclude agreements among themselves. Those agreements could then be transformed in EEC legislation by qualified majority voting at the Council. Framework agreements were thus subsequently concluded on parental leave (1995), part-time work (1997) and fixed-term work (1999).

Those various piecemeal initiatives were brought together under a wider umbrella, the 1989 Community Charter of Fundamental Social Rights of Workers.[77] It was aimed at giving a specific impetus to social policies. Interestingly, a senior German diplomat referred to it as an 'important milestone on the road [to creating] a social flank to the internal market'.[78] Nevertheless, it was just a set of principles, without any binding features. Moreover, the British government even refused to sign it until Labour returned to power in 1997. The 1992 Maastricht Treaty brought about an improvement, since it authorised the use of qualified majority voting for all areas of environmental policy (and not only for those related to the single market), but most social legislation remained governed by the unanimous approval of all member states' representatives at the Council of Ministers.

Regarding regional policy, the new member states, Greece (which joined in 1981), Spain and Portugal (in 1986), wanted to steadily increase the fund devoted to regional policy, but Thatcher and even Kohl remained adamantly hostile to any large redistributive mechanism in the mid-1980s.[79] Later on, in 1988, Kohl and Thatcher eventually accepted a massive increase in cohesion funding, the so-called 'Delors package'. Chancellor Kohl explained to his cabinet that this was in Germany's political interest, and that the president of the Commission insisted on it.[80] Under the Delors presidency, the share of the European Community budget nearly tripled (from 12.8 per cent in 1985 to 32.3 per cent in 1993) at the expense of the Common Agricultural Policy.[81] At the same time, the EEC budget slightly increased, even though it remained modest (from 0.92 per cent of GNP in 1985 to 1.2 per cent in 1993). Overall, Delors managed to redirect the European budget towards a more social orientation.

More surprisingly, even the whole debate on the European Monetary Union intersected with welfare state policies. A major milestone in this regard was the 1989 report on European monetary integration written by central bankers under the chairmanship of Delors. The report requested an increase in the Community cohesion policy to avoid the detrimental consequences of a monetary union, since 'Transport costs and economies of scale would tend to favour a shift in economic activity away from less developed regions, especially if they were at the periphery of the Community, to the highly developed areas at its centre'. [82] Besides, those regions would not have the possibility to devaluate anymore.

[74] AETUC 2099, doc. Commission on the Val Duchesse meeting of 31 Jan. 1985.

[75] AETUC 2096, note ETUC on the meeting of 31 Jan. 1985.

[76] AETUC 2098, note PC, 11 Apr. 1985; letter from Mathias Hinterscheid (ETUC) to Lord Pennock (UNICE), 4 July 1985; note Staedelin to Matthiessen, 1 Oct. 1985.

[77] Giubonni, *Social Rights*.

[78] AAPD, 1989, doc. 410, note of Wilhelm Schürmann, 15 Dec. 1989; *Die Verabschiedung der EG-Sozialcharta, wenn auch nur durch elf Staats- und Regierungschefs – in der Erwartung, daß GB sich später anschließen wird –, ist ein wichtiger Meilenstein auf dem Wege zur sozialen Flankierung des Europäi- schen Binnenmarktes*'.

[79] AAPD, 1985, 311, note on a meeting Kohl-Delors, 11 Nov. 1985; AAPD, 1985, 325, note on the cabinet meeting, 28 Nov. 1985.

[80] AAPD, 1988, 15, note on a cabinet meeting, 14 Jan. 1988.

[81] Ian Bache, 'Cohesion Policy', in Helen Wallace, Mark Pollack and Alasdair Young, eds., *Policy-Making in the EU* (Oxford: Oxford University Press, 2010), 259.

[82] European Commission, *Report on Economic and Monetary Union in the European Community*, 12 Apr. 1989, paragraph 29.

Therefore, they had to be assisted in order to converge, but not at all costs. According to the report: 'The principal objective of regional policies should not be to subsidise incomes and simply offset inequalities in standards of living, but to help to equalise production conditions through investment programmes in such areas as physical infrastructure, communications, transportation and education so that large-scale movements of labour do not become the major adjustment factor'. [83] Therefore, it is clear from the report that some form of European welfare state should flank the single market, and deepen its social wing, rather than represent a tool for redistribution per se. This report was endorsed by the heads of states and of governments in 1989.

On the whole, however, the European and Monetary Union shaped by the 1992 Maastricht Treaty demonstrated a clearer ordoliberal influence than a welfarist approach. Delors's calls to increase the common budget in order to fund ambitious policies of convergence (he envisaged a common budget of 3 per cent of GDP around 2000) were ignored.[84] Besides, the neoliberal camp remained vigorous. The replacement of Margaret Thatcher by John Major at the helm of the British government was a change of style rather than of substance. The 1992–3 economic and monetary crisis, as well as the huge cost of German reunification for the whole Community (through high German interest rates), cast a shadow on the newly-born European Union. The rejection of the Maastricht Treaty by Danish voters in June 1992, and its near rejection by French voters in September 1992 (the 'yes' commanded 51 per cent of the voters) added to the gloom.

The welfarist project was still vivid in Brussels, where the Delors Commission released a last ambitious memorandum in 1993, the White Paper 'Growth, Competitiveness, Employment', which was largely influenced by the German and Nordic experiences.[85] The memorandum promoted a plan of investment in European transport and communication-infrastructure networks, new environmental measures, and a massive investment in training the unemployed through an 'active' employment policy. Cohesion policy was explicitly called a 'joint flanking policy' to the single market programme.[86] Job creation needed to be encouraged in a 'new social economy' to take care of children and the elderly, to renovate housing, to develop public transport and to better protect the environment, but the White Paper remained noncommittal on the tools to be used.[87] The European welfare state in development was still designed to flank the borderless internal market, which had just opened up in 1993.

Conclusion

A 'flanking' European welfare state progressively emerged between 1969 and 1993 under a different guise than a national welfare state. As it was focused on complementing the internal market, it ignored social insurance and redistribution, except for targeted intra-regional transfers (as opposed to redistribution to specific groups of people: the elderly, the sick, the unemployed, etc.). It hinged more on the implementation of common norms, especially in areas related to cross-border trade (basic labour standards and portable rights for migrants), and in new domains such as gender equality and the environment. It didn't include macro-economic coordination for full employment, despite regular discussions about this feature, notably in 1978 with the 'locomotive' attempt and with the setting up of a European monetary union in 1989–92. This omission is logical as nation-states themselves struggled to find the right policy to reinstate full employment after the oil shocks.

[83] Ibid.

[84] Harold James, *Making the European Monetary Union: The Role of the Committee of Central Bank Governors and the Origins of the European Central Bank* (Cambridge, MA: Harvard University Press, 2012), 246–53.

[85] European Commission, *Growth, Competitiveness, Employment: The Challenges and Way Forward into the 21st Century, White Paper*, Com (93) 700, 1993; Fabio Masini, 'What Went Wrong: The Failure of the 1993 Delors' White Paper', *History of Economic Thought and Policy*, 8, 2 (2019), 85–100; Mathieu Fulla, 'The "Nordicisation" of the European Socialist Employment Policy in the Early 1990s', in Alan Granadino, Stefan Nygard and Peter Stadius, eds., *North and South. Rethinking the History of Post-War European Social Democracy* (London: Routledge, 2022), 48–66.

[86] European Commission, *Growth, Competitiveness, Employment*, 15.

[87] Ibid., 20.

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This development is quite remarkable in terms of international history, as it represents a partial implementation of the global social movement's aspirations, beyond the pioneering action of the ILO. It also revisits the history of the 1968 years, which is often told in a national and in a transnational fashion, but rarely in terms of European cooperation. The 1968 movement did not translate into a fully-fledged post-materialist project, but rather into a complex set of old (redistribution towards the weakest) and new (gender equality and environmental) provisions enmeshed with the neoliberal backlash. Market dynamics remained at the centre of European integration but were not exclusive.

The compositive character of the European welfare state is explained by the consensual nature of the EEC/EU decision-making process, which produces protracted compromises, and by the heterogeneity of the welfarist coalition. Those policies were promoted by prominent national left-wing leaders such as the German chancellor Willy Brandt, and by European commissioners such as the Dutchman Henk Vredeling and the Frenchman Jacques Delors. Left-wing groups were divided between a small pro-European group and a sizeable majority who were either indifferent or hostile (Labour, PCF) to the EEC for most of the period. Moreover, those left-wing groups did not capture the entire debate about the European welfare state, which was also fanned by pro-European moderate centre-right figures.

The major structural limitation was the discrepancy between the strong market-oriented origins of the EEC – visible in the relative paucity of welfare state provisions in the 1957 Treaty of Rome and the persistent use of unanimity voting – on the one hand, and the belated move of pro-welfare actors into the European arena on the other hand. Since they were latecomers in the EEC, they experienced difficulty in coordinating their actions, understanding how European institutions worked, and targeting the relevant legislative provision. The adversarial economic context of the 1970s compounded their mobilisation. The neoliberal challenge came later, at the national level from 1979 onwards with the advent of Margaret Thatcher in London, and with neoliberal reforms in various governments in the 1980s. It put a definitive end to the most ambitious welfarist projects, such as the reduction of working time or the control of multinationals. However, it is doubtful that those ideas would have materialised quickly even without the stern opposition of the new British leader, as many supporters of welfare state policies were more attached to national rather than to European provisions. Setting up a European welfare state was a tall order as it could disturb the country-specific compromises between competitiveness and social cohesion that had been shaped over decades. Since the European Community could not, as the nation-state does, rely on a sense of shared identity and on a unified public space, its welfarist dimension had remained piecemeal.

Eventually, the multiple European welfare state projects morphed into a 'flanking' policy (to borrow an expression used in 1989–93) designed to shore up the single market programme, with difficult negotiations over the harmonisation of pieces of legislation in an upward direction, over each environmental standard, and over the increase in cohesion funds. The European welfare state has not replaced the national welfare state. It has remained contentious, subject to the market dynamic, but it has continued to gradually expand, as the recent common distribution of vaccines during the COVID-19 pandemic has demonstrated.

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