

Social Europe?

Neil Warner

Neil Warner researches European political history at the London School of Economics. He considers Aurélie Dianara Andry's book, Social Europe, the Road Not Taken: The Left and European Integration in the Long 1970s (Oxford University Press, 2022). We reprint his review as an invitation to debate.

Accounts of the rise of neoliberalism commonly emphasize the exhaustion of post-war systems of embedded liberalism during the economic crises of the 1970s and the parallel internationalization of economic activity. In Europe, this latter process is especially, and controversially, associated with the process of European integration. Aurélie Andry's *Social Europe, The Road Not Taken* scrutinizes the narratives behind both these processes. The book traces the debates surrounding a European-level leftwing political project throughout the "long 1970s" – a designation that captures the remarkable period of uncertainty and contestation beginning with the protest movements of the late 1960s and ending with the effective triumph of a new conservative and neoliberal politics in the early 1980s.

Andry argues that these Left policies constituted a coherent alternative to the neoliberal version of European integration which ultimately manifested, but that leaders of the western European Left missed a crucial "window of opportunity" to implement them. Her focus on the European Community (EC), the predecessor to the European Union (EU), distinguishes her analysis from those that unfold at the national or global levels. Though in practice agreeing with critics that the idea of a Social Europe has come to act as an alibi for the EU's more fundamental role in promoting and consolidating neoliberalism, she holds that the earlier programmes under that rubric offered a genuinely radical challenge to capitalist power and, at times, even sought to overcome capitalism itself.

Andry's account brings to light the extent to which, in this period, radical ideas permeated policy arenas that are far more often associated with the dull and technocratic. It adds to a developing revival of interest in "roads not taken" during the crises of the 1970s, and makes a refreshing break from the dichotomies that often dominate debates on the relationship between socialism and European integration. Although it is not a central focus of her work, Andry also usefully points to a number of reasons that these policies were never successfully implemented, particularly highlighting the unwillingness of left party and union leaderships to mobilize support behind them.

Here, though, the account often raises questions that it does not fully explore. How and whether mobilization on these issues might have worked, and the structural conditions that might have enabled or inhibited this, is neglected. Moreover, the distinctions between Andry's more radical Social Europe and its later alibi may not be as clear as she suggests. Social Europe projects today *do* exhibit a significant resemblance to those of the 1970s. This suggests a more pessimistic reading of what these alternative visions of the long 1970s offered, but it also presents a somewhat more optimistic reading of the situation we face today.

Roads not taken

The crisis of the 1970s is conventionally framed as a contest between new ideas associated with neoliberalism and beleaguered post-war systems based on Keynesianism or embedded liberalism. Recent years have seen a desire to challenge this narrative, with a number of works pointing to widely debated and discussed socialist alternatives to both paradigms.

Neoliberal policies, directed towards facilitating the profitability of capital at the expense of other parts of society, were boosted by the crisis of profits and heightened international mobility of capital, which were exacerbated by the breakdown in the Bretton Woods system of fixed exchange rates after 1971 and the oil price spike after 1973. But for many left European parties and trade unions coping with a wave of protests and labour militancy in the 1960s, the initial response was to turn further in a socialist direction. With faltering economic growth and rising inflation, the compatibility between redistributive policies that favoured workers and an economic model that was based upon the profitability of privately controlled capital was increasingly questioned. For many socialist parties, this meant that the power of capital, protected in the post-war model, needed to be challenged. A quote provided by Andry, from a 1978 report of an employment policy working group in the Confederation of Socialist

Parties of the European Community (EC), sums up this calculation:

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 ... or they can supplant the private accumulation of capital by far greater state control (and workers' control) ... than they have so far contemplated.

The example of the Meidner Plan in Sweden, which proposed that the ownership of Swedish companies would be gradually transferred to wage-earner funds controlled by the trade unions, has particularly enjoyed a revival in scholarly interest. Alternative responses to post-war inflation, including price controls and targeted public investment, have also been skillfully examined. Another quite different strand of work has focused on the international level – in particular, on the New International Economic Order (NIEO), a set of proposals for a more egalitarian global order endorsed by countries in the Global South in the 1970s.

Andry's book brings in a western European focus that sits in between these domestic or global emphases. Socialist parties, Communist parties, and trade unions in the region were increasingly influenced by the idea that the power of multinational companies had to be challenged on an international, and firstly (western) European, level. The economic focus of European integration, especially since the creation of the European Economic Community in 1957, needed to be counterbalanced by a focus on “upward social harmonization.” But beyond that, the combined economic power of western Europe's common market gave it the capacity to impose conditions on multinationals, and to regulate economic activity in a manner that was beyond the capability of individual countries.

“Social Europe”

European integration has been, as Andry notes, “one of the most contentious questions for the European Left in the twentieth century”. The historical depth of this divide, and the more fundamental ideological differences which it often captures, are summed up by two quotes from Karl Kautsky and Vladimir Lenin. In 1911, Kautsky argued that the only way to “ban the spectre of war” in Europe was through “a confederation with a universal trade policy, a federal Parliament, a federal Government and a federal army – the establishment of the United States of Europe”. By contrast, in 1915, Lenin argued that “under a capitalist regime,” a United States of Europe could only be a “cartel of European capitalists” that

aimed at “jointly smothering socialism in Europe, jointly protecting the captured colonies”.

Today’s debates echo these positions, aligning with the more radical and more moderate wings of the Left, with which Lenin and Kautsky are respectively, albeit often anachronistically and misleadingly, associated. On the one hand, there is the view that European integration promotes peace in Europe and offers the prospect of overcoming the limits imposed on nation-states by global capital. Some have argued that there has in fact been the steady construction of Social Europe since the 1985–95 Delors Commission, which also saw the EC become the European Union (EU), the establishment of a European single market, and the beginning of its Economic and Monetary Union (EMU). Another view emphasizes that European integration is an inescapably capitalist and indeed imperial project, and that it has played a key role in undermining social protections and national autonomy.

Andry suggests that neither is entirely true, in part because Social Europe has held multiple meanings. The “Social Europe” that has been claimed since the Delors Commission was indeed an alibi for the construction of the single market and EMU, which saw governments surrender key elements of their economic autonomy and “consecrated...a combination of ordoliberalism and monetarism”. However, she argues that this was not always the case. Projects for a Social Europe which challenged capital were boosted by a blurring of traditional left-right divisions within socialism. As social democratic parties moved towards a more radical set of policy stances and outright criticism of capitalism, communist parties’ embrace of Eurocommunism included a more favourable attitude towards European integration.

Some of the leading figures in the account, such as German Chancellor Willy Brandt, are familiar to histories of social democracy in this period. But Andry also brings attention to more neglected personalities. Perhaps the most remarkable of these is Sicco Mansholt, who served as President of the European Commission in 1972–73, while openly advocating for a break from capitalism. A member of the Dutch Labour Party and the long-serving first European Commissioner for Agriculture – he played a major role in creating the Common Agricultural Policy – Mansholt was increasingly influenced by more radical left ideas from 1968. He was fond of quoting Herbert Marcuse, and argued that there needed to be a “second Marx” and “new,” “modern socialism” that did not restrict itself to correcting capitalism. Mansholt was also influenced by warnings of the Club of Rome about the devastating potential consequences of continued

economic growth, and argued for what we might today call a form of degrowth. He called for coordinated action to manage resource scarcity, challenge the power of multinationals, and tackle environmental pollution; a transition away from economic policy based around growing gross national product in rich countries; and redistribution of resources in favour of the global South. He saw a strengthening of the European Community's competences as playing a central role in this process, even suggesting the need for EC-level "nationalizations."

The most common policy proposals generally did not go as far as this, although they became more concrete and ambitious as the 1970s progressed. They included the coordination and planning of macroeconomic policy and public investment on an EC level, "upward harmonization" of social and labour standards, the expansion of EC-level funds, EC-level workplace protections, and representation on company boards, greater participation of social partners in EC decision-making, collective bargaining at an EC level, common environmental regulations, EC-wide reductions in working time, EC-wide interventions to control prices, a common EC energy policy, new controls over capital flows, and control over and worker participation in multinational companies. The development of this policy agenda took place in conjunction with efforts to improve the organizational cooperation and policy coordination of left parties and unions on an EC level.

In a context of Cold War détente and criticism of the US spreading into more mainstream elements of social democracy, the idea that Europe, possibly in alliance with the non-aligned movement of the global South, could support a "third force" alternative to the United States and Soviet Union also became more popular. It is not clear from Andry's book how exactly this was meant to have worked in practice, and how these ideas would have come to terms with western Europe's own dominant and often neocolonial position within the international economic hierarchy. However, given the common frustration of both Europeans and proponents of the NIEO with the power and unilateralism of US economic policy and multinationals, there was a partial alignment of interests that gave an at least theoretical feasibility to such an agenda. A quote from Samir Amin, with which Andry's book begins, shows the potentially global ramifications with which such action on a European level was conceived:

"For a solution to this structural crisis of capitalism to come about, new socialist forces would have to be recomposed in the West, operating on a continental scale in Europe, replacing the failing national state with a

supranational state capable of managing on that scale the new social compromise... all the hopes that might have been entertained at the time simply went up in smoke, as the Western Left missed the opportunity to renew itself."

Although few would have gone as far as Amin's idea for supranational state, Andry emphasizes that, at a time when socialist parties were in government in most EC member states, their ideas were not simply an abstract wish list. It was, none the less, a chance that they failed to take. While a less radical but substantial range of policies managed to gain the support of the European Commission, they mostly fell at subsequent hurdles, particularly when it came to securing the support of the European Council member state governments.

Window of opportunity

In Andry's view, this failure can be explained by the Left's (national, ideological, and other) divisions and lack of coordination, its strategic inadequacies, and its failure to mobilize grassroots support for these policies. To this can be added timing and personalities, and the questionable sincerity of socialist party leaders' leftward turn in the first half of the 1970s.

Although socialist parties could agree on general principles and certain lowest common denominator policies, they consistently failed to reach agreement on the more specific meaning of central propositions. Beyond this, there was still the problem of divisions on the very question of whether European integration could be pursued in a way that was compatible with socialist goals. In 1980, the President of the Socialist Group in the European Parliament observed that "the most fundamental problem, and where the Group is deeply split, is that of building Europe itself".

At the same time, a key part of Andry's argument is that "these divergences did not impede the emergence of a broad 'Social Europe' project". Any effective project would have required both intergovernmental and supranational action. There are intriguing signs that at times tensions between more moderate pro-integration and more radical Eurosceptic elements could be quite productive. The entry of the more Eurosceptic British Trade Union Congress (TUC), together with other organizations such as the Danish LO and Italian CGIL, into a new European Trade Union Confederation (ETUC) in 1973 created a dynamic which made the ETUC, while still favourable to European integration and dominated by more moderate currents such as the German Trade Union Confederation (DGB), adopt a "more combative stance towards European

institutions” and place “far greater emphasis on the control of multinationals, environmental issues, the Third World, and peace and disarmament”.

But these organizations never gave enough attention or coordination to the European level, particularly in a context in which European capital was far more organized and coordinated. Timing and personalities also played a role in this failure. For example, Andry emphasizes the detrimental consequences of the 1974 replacement as German Chancellor of Willy Brandt – a key early driver of Social Europe initiatives and, later, an important advocate for the NIEO – by the more right-leaning Helmut Schmidt, who advocated deflationary policies and opposed ideas for economic planning and the NIEO. By the time the Left came to power in France, in 1981, the Socialists had lost their majority on the European Council and neoliberal ideas were already gaining an ascendance. The failure of the French government’s calls for EC-level coordination in support of a reflationary programme was, in Andry’s words, a “final blow” for these projects for an alternative Social Europe.

Above all, Andry argues, these left projects failed because they showed little interest in engaging with or mobilizing on a wider grassroots level. Discussions on European policy remained confined to a small circle of elites. Andry suggests that the “Old Left”, which controlled most leaderships, saw their Social Europe project as a “paternalistic” means of reasserting authority over constituencies, “without ever trying to trigger widely mobilized popular support for their European project”.

By 1983, Andry argues, they had missed their chance. The right was now dominant politically; new Cold War tensions had undermined the possibilities opened by détente; the moral and economic weakening of the communist bloc undercut the force of an existing global alternative to capitalism; the Global South was increasingly divided; and workers’ movements in Europe had been progressively weakened by structural changes such as deindustrialization. This enabled a “real new international economic order” to consolidate itself, based around US hegemony and the Atlantic Alliance.

The experience of the French Socialists appeared to confirm that the Left was stuck in “the European dilemma”: any kind of “socialism in one country” was increasingly constrained in an ever more interdependent world, but the Left seemed incapable of bringing the coordination needed to alter a European integration process that was built on expanding markets and facilitating capital. The choice of the French government and of its then finance minister, Jacques Delors, was to renounce “socialism in

one country” and to embrace a European integration process that entrenched, rather than challenged, the market and capital-oriented basis of the European Community.

Europe itself

Andry’s emphasis on the conservatism of “Old Left” leaderships aligns with a number of long-standing observations – on the indifference of Swedish Social Democratic leaders towards wage-earner funds, and the Italian Communists’ inability to incorporate new social movements, for example. At the same time, Andry is also right to emphasize that their options had become more constrained by the early 1980s, supporting literature which highlights the path dependence imposed by the successes of the Right in the early 1980s, together with the high US interest rates imposed by the Federal Reserve after 1979.

But these explanations feel incomplete. It’s not clear, for example, how coherent and achievable this Social Europe project actually was. The vagueness that Andry frequently notes betrayed an inescapable uncertainty and disagreement about putting general principles into practice. The fact that the Socialist Group in the European Parliament, which should have had more potential for effective coordination and transnational action than the national parties and governments, failed to pass resolutions on any of the main objectives of the Social Europe project also illustrates how far these ideas may still have had to go before they were implemented in any substantial form. This is particularly true of the more ambitious ideas such as EC-level planning of investment or economic democratization. It’s also not clear how the more moderate policies would have altered Europe’s general social and economic trajectory.

At times, Andry seems to overstate the potential for grassroots mobilization, while understating the divisions surrounding the question of “Europe itself”. She places a deserved amount of blame upon the leaderships of the Left for their reluctance to engage with or mobilize wider opinion on European policy questions. The elite focus of these leaders also reflects the little pressure they faced to do otherwise. At a time of widespread movements calling for “democratization” and increased participation in parties and trade unions, wider participation and action on a European level did not seem to have attracted much activist engagement. It could be added that, even with activist engagement, policies such as nationalizations in the UK and wage-earner funds in Sweden still suffered badly, not only from the leadership scepticism that Andry notes, but also from a general indifference on the part of the majority of trade union members and Left voters.

A common exception to this activist disengagement was regarding participation in the European integration process itself. The importance of the basic question of European integration, rather than the kind of European integration that could be constructed, is evident in the experience of two leading members of the “Alternative Europe Network” of economists that pushed for planning and capital controls on a European level: Stuart Holland and Jacques Delors.

In his introduction to their 1978 book, *Beyond Capitalist Planning*, Holland expressed a theme whose undercurrents can be found in much of Andry’s account: that the new projects for a break from existing capitalist logic transcended the traditionally understood “moderate” and “radical” divides within the European Left. But Holland’s own personal experience points to the limits that efforts to transcend such a divide came up against, and the related contradictions that emerged in the pursuit of putting these alternative policies into practice.

Holland’s ideas for a National Enterprise Board and planning agreements [in Britain] were embraced by the Labour Left as the basis for its economic programme in the early 1970s. In the process, they were rejected with growing vociferousness by Holland’s former allies on the Labour Right. This was at a time when “Europe” was becoming the defining marker of division between Left and Right in the Labour Party. Andry suggests that the Labour Left was “not as single-minded on nationalist strategy to exit the crisis as the literature usually depicts,” and points to the example of Holland. But Holland became effectively marginalized from the most influential elements of the Labour Left, in part because of his European focus. The Labour Left’s economic strategy also changed quietly but significantly in much of its emphasis in the second half of the 1970s. While Holland’s ideas remained part of this Left programme, which was often summarized under the rubric of the Alternative Economic Strategy (AES), the AES proper that developed after 1975 was often treated, by both opponents and supporters, as synonymous with the unilateralist solution of import controls.

While the extent of anti-EC sentiment was particularly strong in UK Labour, this kind of unilateralist national approach was also a recurring feature of Left politics elsewhere. The radical and activist response to domination of the European agenda by elite moderates was rarely expressed in pressure for greater participation in and democratization of that process, but rather in a rejection of the European project as a whole. There was normally only a very vague sense, if any, of alternative versions of international cooperation.

On the other hand, the trajectory of Jacques Delors points to the perils of the opposite approach, which focused on European-level cooperation. It also suggests that, for all that the anti-EC Left often ran into a dead-end in its practical politics, they also had a point. While Delors may have preferred a more “social” element in the Social Europe that developed in the 1980s and 1990s, he was also willing to embrace the alibi version that accompanied the intense market integration and removal of national-level autonomy that came with the Single Market and EMU. While Andry’s distinction, between the meanings of Social Europe in the long 1970s and after 1983, is instructive, the case of Delors points to its limits. As a leading proponent of a genuine Social Europe in the 1970s, and as then the leading architect of a false Social Europe that emerged afterwards, he exhibited significant consistency: a belief in forms of planning and social partnership, coupled with fears of inflation and state power. There are also other hints of Social Europe as a domestic alibi in this period. For example, Andry notes that the German Social Democrats’ role in launching new discussions on a Social Europe in the early 1970s was in part an attempt to compensate for their de-radicalization in other areas. Even if the “window of opportunity” for a more profound Social Europe had been grasped in the 1970s, how different would it have turned out to be, given these continuities and the many contextual changes that it was still likely to have faced in its ongoing construction from the 1980s?

A new window

While Andry’s book is a revival of radical, forgotten ideas from the past, the language and policies will sound familiar to anyone following contemporary European debates. There are obviously some exceptions. A 1975 report by Socialist MEPs cited the Yugoslav system of workers’ self-management as a model for transitioning to a “classless society”. This certainly invokes quite a different political era, as does a President of the European Commission openly calling for a break with capitalism. But even calls for “planning,” which felt quite far away a few years ago, no longer do. Many of the policies listed by Andry from various documents would fit well in a 2023 document from the ETUC or Party of European Socialists. The same can also be said for the flaws in Left politics on a European level: an elite-driven process that deliberately marginalizes grassroots engagement, insulated by disinterest on a national level, and disunity on the question of “Europe itself”.

Andry’s larger point is not so much that the policies have changed but that the context has: the alignment of political forces that provided this

“window of opportunity” is no longer there. This is certainly true in many respects. Labour movements and Left parties are generally weaker, and new geopolitical tensions do not carry the same ideological dimensions as the Cold War. On the other hand, the challenge of climate change has presented a new imperative and basis of mobilization for international coordination and planning. Political and civil society organization is now more institutionalized on a European level, and the very process of capitalist integration driven by the European project since the 1980s has made the European dimension harder to avoid. The notion that political union in Europe would follow if the path was set by economic integration was either naïve or cynical – and in any case reckless. But given that the EMU continues to exist, the dynamic of a political union, though far from inevitable, is an ever clearer necessity and possibility.

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