
Laurent Warlouzet, *Governing Europe in a Globalizing World. Neoliberalism and its Alternatives following the 1973 Oil Crisis* (London and New York: Routledge, "Routledge Studies on Government and the European Union", 2018, pp. xiv+ 274, 8 figures, 11 tables.

A year after its publication, Laurent Warlouzet's second book has already become required reading for European integration historians.¹

¹ His first book explored the discussions within the French government regarding the early European integration and cooperation projects of the 1950s and 1960s: Laurent Warlouzet, *Le Choix de La CEE Par La France: L'Europe Économique en Débat de Mendès France à de Gaulle, 1955-1969*, Histoire Économique et Financière de La France. Études Générales (Paris: Comité pour l'histoire économique et financière de la France, 2011).

Governing Europe in a Globalizing World proposes a much-needed, newly documented, multi-level reconstruction of the relationship between globalization and European integration during the 1970s and 1980s. Building on multiple archives of transnational actors, international organizations and national governments, and focusing on the roles of France, the UK and Germany as well as the European Commission, it examines the various solutions envisaged by European decision-makers to “regulate” globalization, from the 1973 crisis to the adoption of the Single European Act and the beginning of the GATT Uruguay Round in 1986.

The author’s starting point is western Europeans’ need to respond to the “shock of the global” and its contemporary consequences: growing unemployment, stagflation, monetary instability, decreasing competitiveness, worsening public finances and trade balances, and so on.² One of his central arguments is that, contrary to the conventional narrative, “there was no inexorable march toward neoliberalism” in response to globalization (p. 214). Instead, Warlouzet insists on the complexity and the gradualness of the choices made by European elites during those years and proposes an original interpretation to explain how the neoliberal response eventually came to dominate in Europe. The book traces the parallel evolution of three competing “models” of public policies to cope with globalization, namely the “socially-oriented”, the “neomercantilist” and the “market-oriented” approaches.

The first of the above models “regroups the measures that aim at diminishing inequalities by taking measures supporting the least favored groups, and more generally by addressing the negative externalities created by markets” (p. 7). After the “events” of 1968, a first response to

² Warlouzet borrows the expression coined a few years ago for the title of a volume edited by Niall Ferguson: Niall Ferguson, ed., *The Shock of the Global: The 1970s in Perspective* (Cambridge, Mass: Belknap Press of Harvard University Press, 2010).

globalization was formulated as part of an ambitious “social Europe” championed with particular vigor by German chancellor Willy Brandt at the 1972 Paris Summit. This envisioned a wide array of economic and social policies to improve social dialogue at the European level, achieve upward harmonization of social laws at the Community level, improve working and living conditions, reduce regional inequalities through fiscal transfers, reduce working hours, control multinational companies, democratize the workplace, and create a common environmental policy. Warlouzet documents some of the reasons why this grand design failed: the unwillingness of several governments to finance these policies and delegate powers to the EEC level, internal conflicts between the different departments of the European Commission, divisions within the European Left and European trade unions, and resistance from employers all gradually formed an insuperable roadblock.

The “neomercantilist’ model” instead “designates a type of policy whose aim is to maximize national industrial output” through “mercantilist impetus of protecting national companies and of fostering export” (p. 8). The idea, in vogue especially in the late 1970s, was to build within the framework of international free trade a protected market with some external barriers and to give financial and political impetus to the development of European enterprises. It included measures such as trade barriers, bilateral agreements to limit exports, coordinated policies for managing the decline of steel, ship-building, textiles and other traditional European industries, multilateral agreements to create “European champions,” as in the case of Airbus, and the creation at EEC level of European standards and common R&D schemes such as the ESPRIT program for information technology. Among the leading advocates of this form of “organized liberalism” were French President Valéry Giscard d’Estaing, the commissioner for the Internal Market, Belgium’s Etienne Davignon, and the president of the European Commission, France’s Jacques Delors. Despite chalking up some achievements, this approach encountered several major obstacles: persisting differences among the promoters, opposition from some of

EEC member states (most significantly, Germany's hostility to Delors' plans for a common industrial policy for facing American and Asian competition), the discrediting of interventionist policies after the perceived failures of James Callaghan's leadership in the UK and François Mitterrand's experiment in France, and the ascent of the "market-oriented" model that opposed state intervention and traditional industrial policy tools.

The "market-oriented" model – of which neoliberal policies are presented as a "radical variant" – encompasses public policies that "promote free market reform by removing obstacles to the economic liberties of both individuals and firms" (p. 8). The advocates of this approach to globalization, ascendant during the entire period covered by the book, have usually emphasized balanced-budget austerity policies, downsizing the welfare state, full and open competition, suppression of state aid, privatizations, and market deregulation. Europe's turn toward neoliberalism can perhaps be attributed, as Warlouzet argues, as much to the influence of neoliberal governments such as Margaret Thatcher's Britain as to the persevering activism of several European Commissioners for Competition, for instance Ireland's Peter Sutherland and the Netherlands' Frans Andriessen, who imposed a reinterpretation of the Treaty of Rome in this field, as well as to some key rulings of the European Court of Justice (e.g., the 1979 Cassis de Dijon decision). This model eventually dominated the political and institutional response to the "shock of the global" for several reasons: the general hegemony of neoliberal ideas and the discrediting of price policies and nation-centered stimulus; a succession of national financial crises (the UK in 1976, Italy in 1977, Germany in 1980, and France in 1983); far-reaching projects for monetary cooperation at the EEC level which encouraged a gradual alignment of member states around price and budget stability policies at the beginning of the 1980s; the collapse of a number of cartels after the economic shocks of the late 1970s; and, finally, the election of Ronald Reagan in the US and the Thatcher's subsequent second election victory in the UK.

Throughout his book Warlouzet insists on the coexistence of these three approaches during the whole period under scrutiny and their persistence in the response to globalization that western Europeans eventually adopted after 1986. Although market-oriented policies took the lead with the European Monetary System and then with the Single Market Program, assisted by an aggressive neoliberal competition policy, the other two approaches never disappeared. When Delors arrived at the Commission in 1985, Warlouzet contends, his program “hinged upon a balance between market-oriented, socially oriented and neomercantilist approaches” (p. 193). The “relaunch” of European integration in 1984-86 and the promotion of free trade at the European and global level with the Single European Act and the Uruguay Round were accompanied, he argues, by some neomercantilist policies (e.g., the adoption of common standards and “pre-competitive” R&D schemes) and social policies (in particular, the regional and environmental policies advocated by Delors, qualified majority voting for workplace health and safety, and the promotion of the European social dialogue). Among this book’s principal strengths, it carefully traces the European path towards the Western elites’ choice of neoliberalism as the most suitable economic and social response to the new context of international competition, avoids teleological explanations, and reveals the complexity and the gradualness of the neoliberal turn of Europe by the late 1980s. With a meticulous reconstruction of the windows of opportunity that opened and closed during the long 1970s, Warlouzet’s work confirms how decisive that decade was in determining the fate of Western Europe and the rest of the world. Indeed, the 1970s were a time of a quest for alternatives to a crumbling post-war world order, a time of incubation of the ideas and policies that would accompany the shift towards the present shape of European integration and globalized capitalism. The book shows that the present state of affairs was the outcome of a struggle between different options and the result of a series of contingent political choices. By doing so, it helps to upend the hitherto dominant “progressive story” of European integration as a linear, pre-

destined process, and suggests that other political solutions were available and might still be relevant in the context of Europe's present crisis.³

Another signal contribution of this book is that it suggests a reevaluation of the weight of West Germany in the choices made by European decision-makers since the 1970s. It shows the prominent role of the Germans in shaping the "relaunch" of European integration in the 1980s and indicates that there is an avenue for further research on the rising importance of German guidance for such matters as free-trade rules, economic and monetary policies, and wage-limitation policies. It also clarifies the complexity of the choice of the EEC as the privileged tool to regulate globalization, often as the "second-best" (p. 217) option after a number of other forums – national, transnational or intergovernmental – had been considered between the two "critical junctures" of 1973 and 1986.

Beyond the undeniable merits of Warlouzet's book, we must mention a number of weaknesses and omissions. First, the three "ideal-types" it proposes, although useful in enabling the reader to grasp the variety of options considered by European elites, tend to conceal the different possible interpretations of a "social", "neomercantilist" or "market-oriented" Europe. In the case of the "socially oriented" policies, for instance, there were great disparities between the "Social Europe" staunchly advocated by many left-wing parties and trade unions during the 1970s – a strongly redistributive and market-regulating Europe based on economic democratization, economic and social planning, control of economic forces, extension of the public sector, cooperation with the developing countries, reduction of working time, improved living and working conditions, and increased social security – and the "Social Europe" that took shape beginning in the 1980s,

³ Mark Gilbert, "Narrating the Process: Questioning the Progressive Story of European Integration", *JCMS: Journal of Common Market Studies*, 46, no. 3 (2008), pp. 641-662.

under Delors' leadership, to accompany the implementation of a decisively neoliberal Europe. Further, the focus on the main actors – Germany, France, the UK and the European Commission – and the scale of analysis necessarily obscures some of the forces and dynamics that were at play. Although the author does try to include some transnational actors such as the European Trade Union Confederation and the European Round Table of Industrialists, the role of trade unions, employers, think tanks, and other social, political and economic forces in shaping the choices that were made at the time deserves more space. The analysis sometimes pays too little attention to the political and ideological affiliation of the individuals and to the identity of the interests they were ultimately defending.

Despite these limitations, this book significantly enriches our understanding of European integration and globalization history from a comparative, transnational and global perspective. Drawing on a wide array of archival sources from different countries and international organizations, making extensive use of international literature and of the latest research of historians on various aspects of European integration, it offers us a highly useful overview of the period. It should prove to be of great value for historians, political scientists, lawyers and other scholars, and for the public debate on the European responses to globalization, the ongoing crisis of the European Union, and the social and political crises that are affecting European societies today – of which the recent “yellow vest” protests in France are but one expression.

Aurélie Andry

University of Glasgow
