

The 1980s as a laboratory for the redefinition of European identity: Lord Cockfield's White Paper as a case study

The “European relaunch” of the 1980s has been widely analyzed within economic historiography¹. After the crises of the 1970s, European integration resumed with a strong focus on completing the internal market, the core of which is Lord Cockfield’s 1985 White Paper². This comprehensive document outlined 300 directives aimed at dismantling the physical, technical and fiscal barriers that segmented the European market, with a targeted completion timeframe of eight years.

As such, the White Paper is significant in the history of European integration, yet it has been understudied in the academic literature.

Through Cockfield’s work, my research seeks to identify the new economic identity that emerged in those years, focusing on the interplay of political and economic-industrial influences, as well as the relationships among various economic cultures that characterized this unique moment, akin to a laboratory for identity redefinition.

The direct study of the concrete drafting process of the White Paper and the entire course of its implementation until 1992³ offers the opportunity to introduce new elements that can enrich previous interpretations of the 1980s in Europe⁴.

Although a certain degree of schematization is unavoidable, we may assert that the economic identity emerging from the White Paper was shaped through dialogues and clashes among three distinct matrices: ordoliberalism, a particular form of socialism, and — far more relevant than it seems at first glance — a neo-liberal which finds in Margaret Thatcher its most representative emblem.

To these three matrices must be added the direct contribution of market forces, especially big industries and, in part, European finance. The role these forces played is articulated through internal dynamics and notable distinctions, all occurring within a «coalition of interests»⁵ that supported the completion of the internal market.

In this area, my research culminates in three key conclusions. First, it dispels the myth, supported by Sigrfrido Ramírez Pérez’s insightful observations⁶, that large businesses became aware of the European dimension solely in the early 1980s. In reality, the mobilization advocating for the internal market gained considerable traction during the second half of the 1970s, coinciding with the political discourse on the need for a “new beginning”.

Second, my research broadens the narrative regarding the actors involved, extending beyond the traditionally emphasized European Roundtable of Industrialists. The Group de Présidents de Grandes Entreprises Européennes, which was chaired by Solvay in the early 1980s, and UNICE, the institutional representation of European industries, also played significant roles.

A number of large companies also intervened around 1985, urging the Commission to take an initiative. Among them, in addition to Philips, whose contribution has been overestimated by

¹ See, for example: Milward 1992, Bussière, Dumoulin e Schirmann 2010.

² COM (85) 310 final.

³ In particular, Historical Archives of European Commission: HAEC BAC 224/1994, BDT 091/1994, BAC 156/2004, BAC 308/199, BAC 41/1989; Historical Archives of the European Union, HAEU FL 660.

⁴ See, for example: van Apeldoorn 2002, Warlouzet 2022.

⁵ Sandholtz e Zysman 1989, pp. 95-128.

⁶ Ramírez Pérez 2019, pp. 618-635.

many, going so far as to imagine a White Paper written under dictation by its chairman Wisse Dekker⁷, I would also point out the Italian FIAT, which offers its contribution through a work of analysis and proposal involving in 1985 all the companies of the FIAT group⁸.

Thirdly, my research reveals stark differences within this front regarding the interpretation of the internal market. For some, it served as a defensive response to the commercial expansion of the United States and Japan; for others, the European liberalization process was seen as a means to integrate into global value chains.

In this context, representative organizations of both large and medium-sized enterprises were generally more in favor of a controlled approach, advocating for a European-governed industrial policy, while the ERT pushed for a broader deregulation strategy. These dynamics also intersected with national trends; for instance, German and British industries often adopted a free-trade stance compared to their French and Italian counterparts, who displayed a more protective inclination. In terms of sectors, banks and financial services companies, but also the oil industries (Shell) and the chemical and food industries (Unilever, Danone), generally displayed less interest in maintaining a protected external trade policy than the electronics and automotive sectors.

Let us now focus on the matrices of economic culture. The ordoliberal contribution stands out prominently. The framework outlined by the White Paper is fundamentally ordoliberal, as it establishes a public authority responsible for setting up a stable and binding regulatory framework aimed primarily at ensuring fair competition. Competition policy assumes seminal importance within the White Paper, securing a dedicated space as the only one of the “complementary policies” granted independent focus after a protracted negotiation process involving DG IV and Commissioner Sutherland.

Contrary to interpretations that view the 1989 Merger Regulation⁹ as a real turning point, my impression is that already in 1985 competition policy was conceived as the main driving force for the integration of national markets and as the first stimulus for economic growth. The White Paper from this point of view anticipates later choices.

A second element that must be emphasised is that this competition policy not only seeks to dismantle internal market barriers but also emphasizes external competitiveness vis-à-vis non-European markets. The White Paper refers to this principle extensively and even where it evokes the need for economies of scale, it does so as a function of achieving advanced competitive balances in the global trade arena (§ 8 and 9), with an anti-protectionist approach consistent with the contextual Uruguay Round (1986-1994).

Thirdly, in the first half of 1988, during German presidency of the Council, Helmut Kohl provided an essential impetus to the White Paper initiative, firmly rooted in ordoliberal priorities. Notable examples include the opening of public procurement also for to the four major sectors (energy, transport, water, telecommunications) that had not previously been included in regular competition policy, as well as liberalizing capital movements, in particular with Directive 88/361.

However, the White Paper is not only defined by ordo-liberalism. The second matrix is socialist, but a French socialism, whose major protagonist is Jacques Delors, President of the Commission and in 1983 Minister of the Economy and Finance in that Mauroy government

⁷ Green Cowles 1994 and Harryvan 2019. Philips’ document is «Europe 1990: an agenda for action» (Philips’ Archives: RP/PC)

⁸ «La Comunità europea e l’industria» in ARCHIVIO FIAT 8221.

⁹ Council Regulation (EEC) n, 4064/89 of 21 December 1989.

which in March impressed, with the ‘turn to austerity’, a real paradigm shift on the economic culture of the PSF and the whole of European social democracy.

The overall ambition expressed by Delors in the White Paper is that of a regulated internal market, complemented by a social dimension. The latter, however, finds little space in the White Paper and with great difficulty. The bargaining within the text’s drafting process, between March and June 1985, is animated in particular by DG V. As early as the end of April, its director-general, Jean Degimbe, proposed a series of social amendments (such as the inclusion of representatives of the social partners in the management committees for the technical harmonization proposals) and a text, to be placed in the introduction, on the «interaction between the large market and the creation of an integrated social area».

The tug-of-war lasted until the eve of the last Commission meeting before the launch of the White Paper, but both the DG III drafting committee and the Cockfield Cabinet rejected most of the amendments and the introductory text. As a result, only vague references to social dialogue and general guidelines made it into the final document.

In response to the perceived excessive liberalism of the White Paper, which the trade unions criticized in June 1985, Delors’ Cabinet insisted on drafting an «argumentaire» that would articulate promises of social compensation.

Between the Single Act and Maastricht, however, these promises were only partially realized. This was partly due to the non-binding nature of the 1989 Social Charter and to the nature of the commitments made at Maastricht, with a social protocol annexed and not incorporated into the Treaty on which Britain will exercise its opting out clause.

Moreover, we must critically engage with the perspective proposed by the Commission during the Val Duchesse meetings regarding social dialogue. An examination of the preparatory documents for these meetings, from Pfeiffer and Sutherland's «short paper» in January 1985 to the Services' documentation for the June 1987 discussions, reveals a coherent logical sequence. Market integration was deemed essential for revitalizing the European economy; however, its effects on production, productivity and employment remained uncertain; what is certain is that there will be setbacks in terms of imbalances and employment levels; these must be managed, cushioning them with structural instruments and above all co-responsibility of the social partners towards policies of inflation control, industrial restructuring and wage moderation.

There is a second core of issues in the White Paper on which a clear socialist contribution emerges: it is the presence of an industrial policy strategy.

Delors understands that national interventions cannot be sufficient to deal with the new phase of the “third industrial revolution” and calls for a common strategy to cope with globalisation and primarily with competition from the United States, Japan and other eastern markets.

The establishment of the internal market was explicitly stated in the White Paper as a means to achieve economies of scale, which would reinforce European industry (§ 13). This includes the strategy of defining European standards; the promotion of European standards in company law; and a large part of the rules on business cooperation.

In order to strengthen European industry, the Single Act will then make available the chapter on the promotion of research and high-tech industries (new Article 130F).

Scholars have emphasized the transition from a vertical industrial policy — characterized by targeted interventions in specific sectors — to a horizontal one in the 1980s. I acknowledge this shift while also noting two important caveats. Firstly, the White Paper characterized industrial policy (§ 18) as a «reorganization of struggling industrial structures», thereby leaving open the possibility of traditional national or coordinated interventions in light of adjustments required for the new global market. Secondly, the horizontal and trans-sectoral dimension that Delors accepts (as a stimulus in the field of research and innovation) incorporates a proactive stance aimed at implementing active industrial policies that align with the coordinated

economic policies necessary for boosting employment and enhancing the quality of production.

The third matrix is neoliberalism, which we primarily interpret through the lens of Thatcher. This aspect is the most striking in my research, contributing to ongoing scholarly debates¹⁰ with a very clear position. Examination of British Archives and European Commission documents elucidates that the neo-liberal proposals assertively put forth by Thatcher between 1984 and 1986 resonate deeply within the completion of the internal market. Besides, the fact that the main protagonist of this project and the first draftsman of the White Paper is a British Conservative chosen by Thatcher (even against the opinion of many in her Cabinet) as her “transmission belt”, and who will become Delors’ first ally in the five years of the first Commission, is already extremely indicative.

Apart from this, three notable texts issued by the British government between 1984 and 1985 are particularly illuminating.

The first memorandum was presented by the Thatcher government in June 1984, before the Fontainebleau European Council. Thatcher, weighed down by years of controversy over the budget, presented «Europe The Future» in order to get out of a state of isolation¹¹. At the heart of the memorandum is the proposal to relaunch the internal market.

The second, entitled «The Creation of Wealth and Employment in the Community», was prepared for the Brussels summit in March 1985 and functioned as a true neoliberal manifesto, emphasizing the importance of strict fiscal policies and a liberal internal market. Within this framework, the priorities are financial deregulation and the liberalization of capital movement¹². This document reflected a broader deregulation strategy initiated since February 1985 in cooperation with the Benelux countries and that would develop over the following months through various stages, demonstrating a progressive capacity for involvement of the entire Commission structure and of the Delors Cabinet itself. Concretely, it will lead to a preventive control of the impacts on companies of the measures in the pipeline, in terms of bureaucratic burdens and economic costs.

The third text, often overlooked in existing literature, was delivered by Thatcher to Cockfield on May 1 and was swiftly shared with directors-general involved in drafting, highlighting a list of prioritized measures, including the objective of liberalizing transport¹³.

Even after the final drafting of the White Paper, Thatcher remained highly influential, especially during the British Council presidency from July to December 1986, where she endeavored to accelerate the process. Her priorities centered around opening the insurance and financial services market.

It wasn’t until 1987, with the rise of Delors’ “social ambitions” and Cockfield’s greater autonomisation concerning harmonization of VAT rates, that Thatcher began to adopt a more critical position, ultimately sidelining herself from the «European game».

Nevertheless, neoliberal principles continued to guide crucial decisions within the Commission. This has been particularly evident in the deregulation of capital markets, which deserves special attention because it has not only affected European financial markets, but has also involved the relationship with non-European ones; and because it has distanced itself from

¹⁰ See, for example: Gillingham 2003, Moravcsik 1998, Ludlow 2007.

¹¹ TNA PREM 19/1229.

¹² TNA PREM 19/1490.

¹³ «White Paper: United Kingdom priorities», TNA PREM 19/1751.

the original structure of the Treaty of Rome and its concept of a common market still bound by the Bretton Woods system with strict capital controls.

Two additional aspects merit discussion. The first pertains to the final version of the Second Banking Directive of December 1989, which notably omitted explicit references to the principle of reciprocity that was included in the earlier draft approved by the Commission in January 1988¹⁴.

The second has to do with preferences in public procurement for members of the European Community, which will be expressly abandoned in the texts of the directives adopted by the Council between 1988 and 1992 at the end of a long tug-of-war with the US positions, in the name of a maximally open and competitive single market in public procurement and the principle of non-discrimination.

Overall, while the White Paper initially advocated a model of conditional openness towards third countries, with a preference for the negotiation of bilateral and multilateral trade agreements based on the principle of reciprocity, practical implementation progressively favored — especially after the controversy stirred up by the US against «Fortress Europe» — an unregulated openness that often undermined essential principles of balance and reciprocity.

In light of these observations, it becomes clear that no singular answer can unequivocally attribute a unified economic identity to Europe as it embarked on launching the internal market project. Rather, the answers are pluralistic. Furthermore, there exists a valuable interpretative opportunity to assess, once the process concludes, the relative strength of these various approaches, examining the symmetries or asymmetries, hierarchies, and prevailing trends. Each interpretation can be validated through a foundation of facts and data, as this case study illustrates, guiding future research.

¹⁴ COM (87) 715.

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