Personalities, Neoliberal Globalisation and European Integration
Explaining the Unlikely Alliance behind The Single European Act

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Abstract

This working paper explains the appearance of the unlikely alliance between Delors, Kohl, Thatcher and Mitterrand behind the Single European Act (1986). As the first major revision of the Treaty of Rome (1957), the Act kickstarted the relance of European integration after a prolonged period of Eurosclerosis in the 1970s, that ultimately cumulated in the foundational Maastricht Treaty. We establish that although the focus on, more often than not, stereotypical characterisations of the four leaders – consisting of a French socialist, a virulent anti-federalist British neoliberal, a committed leftist European and a German Christian-Democrat – is to a certain degree important, one has to look at more structural and global trends to explain the genesis of the Act. Neoliberal globalisation and the dawn of the Second Cold War are singled out as the most important trends that shaped and interacted with the European policies of the four main actors. In trying to deal with them, they found an appropriate framework in the Single Market Programme, their lowest common denominator for European Integration. Lastly, we emphasise the fact that the alliance was an unbalanced one, which helps us explain how Thatcher was pressured into compromise. Junior partner in the coalition, Commission President Delors, is described as a visionary pragmatist who understood the institutional constraints he faced.

Keywords:
European Integration, Single European Act, Neoliberalism, Cold War
## Table of Contents

Abstract.............................................................................................................................................. 3  
Introduction....................................................................................................................................... 5  
History and Historiography .............................................................................................................. 5  
  An Unlikely Alliance? The Pitfalls and Opportunities of Focusing on Personalities...................... 6  
  Structural Trends: Neoliberal Globalisation.................................................................................... 7  
  Structural Trends: The Second Cold War and the Unbalanced Alliance................................. 9  
  A Smiling Mouse: Delors vs. the Rest Revisited.......................................................................... 10  
Conclusion....................................................................................................................................... 11  
References...................................................................................................................................... 12
Introduction

It sounds like the beginning of a bad joke: a French socialist, a virulent anti-federalist British neoliberal, a committed leftist European and a German Christian-Democrat walk into a bar. If we refine the picture, however, by adding a precise date - the 29th of June 1985 - and replace the stereotypical bar by the picturesque arcades of the Castello Sforzesco in Milan, a rather different but even more intriguing story emerges. How can we explain that it was those four leaders - Mitterrand, Thatcher, Delors and Kohl - who were so different politically and seemed to have such divergent ideas about European integration, who started the relance of the integration process by launching the Single Market Programme (SMP)?

We will reveal the historical realities behind this seemingly mysterious story, by, after a quick sketch of the history and the historiography, firstly looking at how ‘unlikely’ the appearance of the alliance really was. Secondly, we will challenge the focus on personalities and look at how the European policies of Kohl, Thatcher and Mitterrand were shaped by and interacted with broader processes in the 1980s. The third part of the working paper will discuss ‘neoliberal globalisation’; the fourth part the ‘Second Cold War.’ The picture that then emerges is that of pragmatic and compromising leaders who, while trying to cope with structural trends, found an appropriate framework to deal with them in the Single Market Programme, their lowest common denominator for European integration. Last but not least we will emphasise that the alliance was fundamentally unbalanced, something that becomes most evident in the fifth part, when we focus on the role of arguably one of the most influential presidents of the European Commission: Jacques Delors.

History and Historiography

Jokes, especially bad ones, thrive on stereotypes and oversimplification. Nevertheless, a good argument exists in favour of the ‘unlikely alliance’ hypothesis. In the same way it probably is not an oversimplification to say that the process of European integration was completely deadlocked until 1984, notwithstanding the attempted (federalist) reforms like the Parliaments’ ‘Spinelli Treaty’ (Ludlow 2014, 217–232). The pathbreaking Council of Fontainebleau in June of that year, however, breached the deadlock by solving longstanding disagreements. A few months later the Dooge Committee started considering institutional reform, Delors’ Commission identified the 1992 target for completing the Single Market. As if that were not enough, as alluded to above, in Milan the Council adopted that objective and approved the Italian proposal to hold an Intergovernmental Conference (IGC)! Pandora’s box was now opened. Out of it came the Single European Act (SEA), which enshrined the goal of ‘progressively establishing the internal market’ by 1992 through the process of ‘mutual recognition’ and extending Qualified Majority Voting (QMV) to Single market issues (except for ‘fiscal provisions’, the ‘free movement of persons’ and ‘the rights and interests of employed persons’). The parliament gained somewhat in power though the ‘cooperation procedure’ and a (weak) reference to Economic and Monetary union (EMU) was included (Single European Act, Official Journal of the European Communities).

This evolution, from ‘deadlock to dynamism’, has long puzzled historians as they tried to explain this peculiar turnaround. Although no strict chronological separation can be made, earlier accounts, like those of Ross, Sandholtz and Zysman, tended to emphasise the role played by transnational actors (big business and experts) and supranational institutions like
the European Court of Justice, the Commission and the Parliament (Sandholtz and Zysman 1989). Especially Delors’ appointment as president of the Commission was regarded as the catalyst for change (Grant 1994). Although some recent publications still uphold this analysis, the pathbreaking study of Moravscik decisively shifted the emphasis, highlighting the primacy of intergovernmental bargaining: the single market came into being because it accorded with the (perceived) national interest of the member states (Kaiser and Schot 2014; Moravscik 1999). Recent studies have not countered this explanation but refined it by pointing to broader, structural trends which shaped the actions of the protagonists (Varsori 2013; Warlouzet 2018).

An Unlikely Alliance? The Pitfalls and Opportunities of Focusing on Personalities

As the simplification about the sudden ‘relaunch’ of European integration, the stereotypical assumption about the ‘unlikeliness’ of the alliance also carries some truth. When Mitterrand was elected president, right-wing governments in Europe reacted worried. They wondered how the leader of the first left-wing French government in 23 years - the cabinet even included communists - would position himself internationally. In Germany opposition leader Kohl declared that Franco-German relations were headed into unchartered waters (Lappenküper 2011, 174). Furthermore, Mitterrand’s election program of 1979, which advocated a ‘socialist Europe’, couldn’t contrast more with Thatcher’s neoliberal programme of deregulation (Berstein et al. 2001, 186). Her virulent anti-federalism, then again, was more or less the antithesis of the ideals of the man to whom she complained about “these constant references to European unity”; federalist with a social heart Jacques Delors (Moore 2016, 393).

So far the affirmative part. If we accept the framework of personalities, we must, however, critically analyse it from two points of view. The first one is to question how independent these leaders were from their bureaucracies, parties and influence groups. Otherwise the focus on their personalities would not be justified. As remarked, the claim of the earlier historiography that pressure from business groups was decisive in bringing about the Single Market Programme, has been revoked more recently. It remains beyond doubt that their agenda setting role through the European Round Table of Industrialist (ERT), which European CEOs created in 1983, was important. So were their meetings with Commission members (Cowles 1995). Nevertheless, it has become clear that all three national leaders acted quite independently, especially in the most decisive moments and it is more appropriate to see their actions as being shaped by various structural trends, which we will discuss in the next two sections. Kohl overcame many officials’ concerns about harmonisation, Mitterrand had a personal interest in making Europe work after he chose a pro-European course and Thatcher had a personal commitment to the idea of a single European market (Moravcsik 1991, 45; Warlouzet 2018, 194). Delors crucially established dominance over his fellow commissioners and his actions, as we will see later, were important in bringing about the SEA (Ludlow 2015, 180). These observations clearly speak in favour of a focus on the four personalities as their personal actions seem to have been decisive at some points.

Our second point of critical analysis, which accepts the framework of personalities and drives it to its logical conclusion, counters the supposed ‘unlikeliness’ of the alliance. The historical record shows the relationships between the four were often quite good on a
personal, and political, level. One author, for instance, writes about the ‘chemistry’ between the politically ‘antithetical’ Mitterrand and Thatcher. On the ground their foreign ministers worked together intensely (Wall 2008, 54; Moore 2016, 382–388). After Kohl became chancellor, he stood hand in hand with Mitterrand in the pouring rain, remembering the victims of the First World War. There was indeed a certain personal idealism at play in the Franco-German rapprochement that was essential in bringing about the European relance (Lappenküpper 2011, 173–175). Last but not least Delors (who was after all appointed after suggestion by Kohl and Thatcher’s cabinet) had actually a decent relationship with the other leaders through his French cabinet, his Christian-Democratic ties and his cooperation with Lord Cockfield in the Commission (Ross and Jenson 2017, 117–120).

Personalities, their actions, personal beliefs and relationships, we can conclude this section, do matter. The focus on personalities is thus justified to a certain extent but it also calls in to doubt the ‘unlikeliness’ of the alliance. However, it offers no sufficient explanation as to why these leaders overcame the ideological cleavages that existed between them. Thus, as the literature emphasises, the single most important personal characteristic of the four leaders that is needed to understand the unlikely alliance, is their ability to be more or less pragmatic and willing to compromise (Moravcsik 1991, 345). What we thus need to understand is how and why these leaders made compromises at some point and why they were able to agree on this common goal of establishing a single market. This inevitably means leaving the framework of personalities and look at more structural trends.

**Structural Trends: Neoliberal Globalisation**

The first structural trend that helps us understand the so-called ‘unlikely’ alliance that relaunched European integration is the emergence of neoliberal globalisation. This had a ‘material’, economic component, that led to a growing pressure from competitive American and Japanese firms, and an ‘ideological’ component which, after a conscious ideological and business funded struggle from the intellectuals centred around the Mont Pèlerin Society, led to a consensus among political elites that the post-war Keynesian policies had fundamental flaws, further shaping the reaction to the overseas pressure (Warlouzet 2018; Stedman Jones 2012; Mirowski and Plehwe 2009).

The most prominent proponent of the Single Market Programme, without doubt, seems to have been, British Prime Minister Thatcher. Later she indeed herself stated to have had “one overriding positive goal. (…) to create a single common market” (Gilbert 2012, 135). The two British memorandums ‘A future for Europe’ (1984) and ‘The creation of Wealth and Employment in the Community’ (1985) to the European Council confirm this view, as do historians (Warlouzet 2018, 188–197; Moore 2016, 407). Nevertheless, Wall’s statement that she “can lay better claim than any other EC head (…) to be the author of the Single market project”, might be an overstatement in the light of the other structural trends and the agenda setting role of Delors we will discuss later on (Wall 2008, 48). As it is today commonly acknowledged that Thatcher was one of the spearheads of the neoliberal revolution, we can restrict ourselves to nuancing her stance in three ways (Stedman Jones 2012). Firstly: there was a notion of self-interest in Thatcher’s claim. Especially her insistence on the liberalisation of the service market bore in mind the competitive advantage of British firms in that sector. She also emphasised the loss of competitiveness against Japan and the United States (the material component). Secondly: Britain only became convinced of the need to harmonise Non-Tariff Barriers (NTB) in 1981, as the country itself still used them.
Thirdly: even then the EEC was only seen as one of the possible frameworks for liberalisation (Warlouzet 2018, 184-185). This makes it clear that other factors are needed to explain Thatcher’s choice for the European framework.

Across the Channel, in Germany, we encounter the same tendency towards liberalisation. After a long period of Social-Democratic rule, Kohl and his liberal partners (FDP) entered office convinced Germany’s economy was over-regulated and needed a policy of deregulation and supply-side cuts. After the ‘unilateral’ path to liberalisation faced domestic opposition, however, the international arena became an excellent venue to push through with the planned policies. Hence, the Kohl government supported the Commissions’ effort for liberalisation in the early 1980s and contributed to them in the 1983 ESPRIT memorandum (Moravcsik 1999, 326-332). Germany put international trade liberalisation back on the negotiating table at a time when Thatcher was still reluctant about the harmonisation of NTB. Just like in the British case, however, this is not the whole story. Firstly: self-interest played an important role as Germany was an export country and would benefit from liberalisation (Warlouzet 2018, 184). Secondly: although Kohl presented economic stagnation as the main reason for liberalisation and European integration, there was a more pressing, geopolitical, need to which we will come back in the next section.

There was thus, as part of a broader ideological change and economic pressures, an apparent convergence of national policies towards liberalisation. But if the alliance between Thatcher and Kohl was not unlikely, Mitterrand seemed to be the exception to the conservative return to power. Indeed, his domestic polices, conceived by the radical left wing of the socialist party, ran immediately counter to the prevailing economic orthodoxies in London and Bonn. The French neo-mercantilist measures, aimed at the ‘reconquest of the internal market’ and protectionism against Japanese competition, however quickly hit a wall, forcing Finance Minister Delors to negotiate two devaluations within the European Monetary System (Lappenküpper 2011, 147–157). Mitterrand thus stood at a crossroads between ‘Le socialisme ou L’Europe’, as his biographer famously put it (cited in: Ludlow 2014, 226). After trying out a bilateral path to deal with the pressures (via NTB negotiations with Germany), Mitterrand reversed his policies. A dramatic domestic shift towards austerity in March 1983 was combined with a choice for Europe: the regulation of globalisation and international free trade (where competition from the US high-tech and finance sector played an important role) would from now on be made through the external policy of the EEC (Warlouzet 2018, 185-186).

Thus, the ideological and material components that underpinned neoliberal globalisation and the (perceived) inadequacy of unilateral and bilateral solutions led to a convergence of policies; a single market on European level was seen as the best framework to deal with globalisation. Nevertheless, we ought to be careful with all-encompassing ‘structural’ explanations and keep personalities in mind. Although Mitterrand was probably not a pure European opportunist – du Réau forcefully argues that his personal history and presence at the Hague Congress of 1948 indicates otherwise – he certainly had personal motives to see the European project succeed after his socialist failures (Berstein et al. 1991, 283-286). In the same way Delors’ personal involvement in his decision cannot be underestimated (Ludlow 2014, 226). Last but not least, leading us into the next section, it should be noted that notwithstanding the consensus on liberalisation after 1983, there were still different practical issues (debates on CAP, the budget and enlargement) and different views on the future of Europe that impeded progress towards further integration. To understand why
these issues were solved and the unlikely alliance could be formed, we need to look at the second structural trend.

**Structural Trends: The Second Cold War and the Unbalanced Alliance**

Once Mitterrand committed himself to European integration, he had strong incentives to make Europe deliver at a time he faced antagonising problems on the domestic scene. Thus, when serving as Council president in 1984, he initiated a major campaign for the relaunch of European integration and even indicated he was willing to draw inspiration from Spinelli’s supranational ‘Treaty on the European Union’ that the Parliament had approved in February (Favier 1991, 247–256). Certainly then, his personal contact with Thatcher and Kohl, with whom he met no less than six times each throughout the year in what was later labelled ‘shuttle diplomacy’, was significant. It is also beyond doubt that Mitterrand’s compromising stance helped launch meaningful negotiations. Indeed, it was mainly his personal (need for) pragmatism that broke the deadlock on the budgetary issue (assuming a sizeable portion of the rebate offered to the British), debates about the CAP (limit to expenditures) and enlargement (acceptance of Spain’s accession) at Fontainebleau (Moravcsik 1991, 34). However, the decisive factor in bringing about the unlikely alliance was a change in the international situation, which led to a Franco-German rapprochement and hence a fundamentally unbalanced alliance which could pressure Great-Britain into agreement.

Although there was a certain idealism and a personal rapprochement between Kohl and Mitterrand, what brought them together was the dawn of the ‘Second Cold War’. This period followed the earlier détente between the superpowers and encompassed not only the Soviet invasion of Afghanistan and Reagan’s rollback policy but also the Euromissile crisis which made Europe a central theater of the Cold War once again (Varsori 2013, 228-229). In Germany these events led to significant opposition from the peace movement, which made international partners worry about Germany’s commitment to the ‘West’. In the light of these developments, Kohl was extremely eager to prove that Germany would not ‘go neutral’ and made European integration one of his chief foreign policy priorities. Establishing firmer ties with the Western camp would prove his trustworthiness and consolidate Germany’s status and integrity in a divided Europe (Jabko 2006, 18). Kohl did not conceive of this policy shift; it was a continuation of a longstanding policy orientation and the earlier policy of Foreign Minister Genscher under Chancellor Schmidt. A case in point is the Solemn Declaration (1983) under Kohl, which built upon the 1981 Genscher-Colombo initiative (Stark 2016, 196–197). The fear of German neutrality then again inspired Mitterrand, who also knew he would need Bonn if he wanted European integration to succeed, to buttress Kohl’s dealing with the peace movement by supporting the instalment of the Pershing and cruise missiles. Again, however, this was a rapprochement between countries that preceded and was not confined to the two leaders (Lappenküpper 2011, 155).

France and Germany, thus, had a common desire to relaunch Europe around the Single Market Programme and pressured Britain into compromise. Mitterrand led the charge with public threats of a Europe à deux vitesses and at Fontainebleau, he and Kohl leaked that they would go on with European integration without the British if they rejected a compromise; Thatcher finally gave in (Favier 1991, 246-256). Thus, what made the unlikely
alliance likely, was the fact that it was an unbalanced one. British fear of being isolated was
what, together with a compromising attitude, enabled the European project to regain
momentum (Warlouzet 2018, 188–194). With the deadlock broken, the Dooge Committee,
which a few months later recommended establishing a ‘homogenous internal economic
area’, was set up (Gilbert 2012, 133).

At the Milan council, the Franco-German couple voted in favour of holding an IGC after Italy
surprisingly called a vote on that subject and helped to outvote Thatcher, who was against
any treaty revision. Recent research, however, has shown that even Kohl and Mitterrand,
eager to keep their veto, were somewhat reluctant about institutional change and
extending QMV - which had been limited since the Luxembourg compromise (1966)
(Warlouzet 2018, 195). What we, thus, still need to fully understand how the SEA came into
existence, is the role of the man who helped the Italian delegation come up with their
unorthodox move. The fourth man in the alliance: Jacques Delors.

A Smiling Mouse: Delors vs. the Rest Revisited

Until now we have mainly focused on the role of the three heads of government and
somewhat reversed the order of importance of the traditional historiography that places
Delors at the centre of the Single Market Programme. This is because more recent research
has emphasised that the institutional structure of the EEC gave overwhelming power to the
Member States (Ludlow 2016, 225). Thus, once again, we must stress that the unbalanced
composition of the alliance is essential in explaining it. To put it bluntly: the fact that
Commission President Jacques Delors had federalist ideas did not really matter because
the ‘big three’ were not on his side. That is not to say, however, that his leadership of the
commission had no impact on the relaunch of Europe. As one author puts it: his personality
was very probably a necessary condition for the relaunch, but it was by no means a sufficient
one (Ludlow 2015, 194).What we, then, need to explain Delors’ role in the appearance of
the ‘unlikely alliance’, is a more subtle understanding of the stereotypical ‘social federalist’.
We argue that it is, in fact, more appropriate to describe him as a visionary pragmatist.

As already highlighted in the first part, what made Delors’ alliance with the three national
leaders not so unlikely was his personal career. He had a Christian-Democratic background
and had worked under a Gaullist premier before becoming minister under Mitterrand. His
feel for the political centre thus helped him work with left and right. Moreover, his work in
the European Parliament made him a renowned expert on whose expertise the big three in
the Council counted (Warlouzet 2018, 192). Even more than with the three other leaders,
the single most important characteristic in understanding his role in the alliance, however,
is his pragmatism and awareness of the institutional constraints he faced. Instead of insisting
on his own preferences - political integration, monetary union and social reform - he
adapted and settled for the idea of creating a single market because there was broad
agreement around the topic (Ross and Jenson 2017, 117; Grant 1994, 66). This
compromise underlines our conclusion of the structural trend towards market reform and
the idea of the Single Market Programme as lowest common denominator. While Economic
and Monetary Union (EMU) was put on the negotiating table, Kohl backed the position of
the Bundesbank and opposed it together with Thatcher - hence the weak reference to it in
the SEA. Similarly, ideas about extensive industrial policy and foreign policy cooperation
were all opposed by at least one of the Member States and thus not included in the SEA
(Moravcsik 1999, 320-321).
Although the idea of a single market was by no means new – and thus not Delors’, as he himself claimed – and the president of the Commission was not really enthusiastic about it, we must emphasise that he was a strategic thinker. Not only did he capture the structural trend towards market reforms, he also understood the imaginative power of deadlines (Grant 1994, 272-276; Ludlow 2015, 192-193). His decision to launch the Single Market Programme with the 1992 deadline gave the integration process a renewed purpose. The Commissions’ white paper ‘Completing the internal market’, wherein Cockfield listed 297 proposals to achieve that goal, was released two weeks before the council in Milan, where the goal of establishing the single market by 1992 was adopted. His Commission fought ‘militantly’, with immense expertise, to hold governments accountable to their commitments. More importantly still, he understood that the ‘1992’ goal was consensual enough to be realistic, but ambitious enough to convince the Member States that institutional reform and an extension of QMV was needed to implement it (Ludlow 2015, 180-183).

In conclusion we can say that Delors understood, better than any of the other leaders in the alliance, that the Single Market Programme could satisfy governments with very different views on the long-term trajectory of integration. Thatcher viewed the Single Market as a goal in itself, wrongly thinking the reform was happening in a political vacuum. The French government would later be surprised at the continued momentum towards liberalisation. Like the Kohl government, they had by no means anticipated the rapid expansion of the policy domains the E(E)C would cover. The Economist description of the SEA as a ‘smiling mouse’, well-intentioned but probably without a lot of impact, is thus presumably representative for the view of Thatcher, Kohl and Mitterrand. What made the unlikely alliance possible, then, was that no one except Delors – by far the weakest of the alliance – had foreseen the dynamics it would set in motion, cumulating in the Maastricht treaty (Nicolas 2006, 218-219).

Conclusion

Explaining the appearance of the unlikely alliance is only possible if we leave the focus on stereotypical personalities, which belongs to the world of bad jokes and uncritical historical investigation. Although we have demonstrated that personalities were important to some extent – certainly Thatcher’s stereotype matches her historical appearance closely – we can conclude that the unlikely alliance must also be explained by looking at how structural trends shaped the policies of the four pragmatic leaders. Primo: the material and economic forces that underpinned neoliberal globalisation led to a convergence of policies between Thatcher and Kohl and forced Mitterrand to agree to the programme of liberalisation. Although Delors’ personality was probably decisive, it was only the circumstances, created by this structural trend, that allowed him to play that role. Segundo: the Second Cold War made Kohl and Genscher strong proponents of European integration, leading to the genesis of a Franco-German alliance that was committed to the SMP and pressured Britain into compromise over longstanding policy disputes. What thus, also, explains the appearance of the alliance, is that it was an unbalanced one. The federalist Delors understood this and pragmatically swallowed his own preferences. Last but not least, we saw that the Single European Act was made possible because none of the leaders had foreseen its implications. Or, to be more precise, the (bad?) joke was on Thatcher, Mitterrand and Kohl, junior partner Delors, however, got the pun.
References


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