

To begin with, none of the four areas can be truly assessed in isolation. They interfere with each other in an extremely dense, intricate compact. It's a reflection of the broad, systemic changes that defined the 1970s as an era of transition between the waning postwar order and the new solutions that consolidated thereafter. Challenges were constantly reassessed; options frenetically compared, interwoven, revised; solutions reached by the unpredictable interactions between multiple, interconnected negotiating tables. There is a resemblance here with the formative era of the integration process, whose emerging shape had to be studied within the foundational stream (and the cross-feeding strands) of reconstruction, pacification, trans-Atlantic relations, the building of the Cold War architecture, the refashioning of the European nation-state, and the interplay among political cultures.

The 1970s too were a creational moment, with (almost) everything in play at the same time, and a fluid morphing of established categories into as yet undetermined possibilities, paradigms, and priorities. But of course there were anchors too, the well-trodden paths and institutions already in operation, to be preserved and adapted rather than revolutionized. Thus, the scenarios were numerous but not infinite. Yet, many different combinations could have emerged.

It follows that we are called to focus not so much on linear reconstructions of the policies eventually adopted (with the inherent risk of teleology) as on the moments when options – conceptual no less than operational – were confronted, combined, and sifted; on the crucibles where possibilities were dissected and reassembled; on the give and take among different tables, fields and actors. It is certainly no coincidence that, faced with flow and indeterminacy, the four authors prioritize a dialogue with the inclusive narratives of a broad range of historians upon methodologies geared to the modelling of social scientists.

Apparently undaunted by the scale of the ambitious prospect they are charting, they are inviting us to consider the history of European integration as one and all with the history of Europe, and of its shifting place in a changing world.

Federico Romero (European University Institute)

Integrating an international political economy dimension into European integration history: the challenges of the 1970s

For anyone interested in international political economy (IPE), the fact that European integration is embedded in global influences is, arguably, a given. Economic and monetary phenomena do not really know borders – or at least not in the same way as other fields of foreign policy and cooperation do. As a consequence, taking into account the global context in the study of European developments largely goes without saying. Talking of European monetary cooperation without mentioning the breakdown of the Bretton Woods system, explaining various European monetary policies

without mentioning the influence of Milton Friedman and the Chicago school, or the US administration's "neglect" of the dollar in the late 1970s, would be fairly pointless. To put it the other way around: had the US been more amenable to aligning its economic and monetary policy with the German one, the European Monetary System (EMS) would probably not have been created. Keeping this in mind, this article will briefly set out the state of the field, outline some of the problems/methodological challenges to historical research on the 1970s and finally sketch some potential research directions.

Monetary cooperation in general and the breakdown of Bretton Woods, the Werner Plan and the EMS in particular, are now well covered. Many studies have been devoted to the early part, 1969-74, as well as on the EMS.² In a wider chronological perspective, Dimitri Grygowski (who studied the US attitude towards European monetary cooperation), David Marsh (who investigated the birth of the euro) or the work led by Frédéric Clavert on central bankers have also brought significant additions to our knowledge.³ The backdrop of increasing globalisation was studied by Harold James, and more recently discussed in Niall Ferguson's edited volume.⁴ And the question of globalisation is indeed a fundamental one since it increased precisely at a time when it was feared that it would stop again, just like in the 1930s – this parallel will be dealt with in some more detail below. A lot still has to be done on the purely economic history side of the 1970s, however: what was the impact of the oil shock on Western European economies? How can we explain that Germany, France, Britain and Italy performed so differently?

Problems and methodological challenges

In studying those issues, at least five problems/methodological challenges face historians of IPE in the 1970s. A first one is linked to the teleological take of European integration analysis. The 'teleological issue' has recently been raised by Mark

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2. See for instance A. BOTTEX, *La mise en place des institutions monétaires européennes (1957-1964)*, in: *Histoire, économie et sociétés*, 4(1999), pp.753-774; P. LUDLOW, *The Making of the EMS. A case study of the politics of the European Community*, Butterworth Scientific, London, 1982, E. MOURLON-DRUOL, *The Emergence of the European Monetary System*, Cornell University Press, Ithaca, 2012.
 3. D. GRYGOWSKI, *Les États-Unis et l'unification monétaire de l'Europe*, Peter Lang, Brussels, 2009; D. MARSH, *The Euro. The Politics of the New Global Currency*, Yale University Press, New Haven; 2009, F. CLAVERT (ed.), *Banquiers centraux et construction européenne*, special issue of *Histoire, économie et sociétés*, forthcoming fall 2011 (see also www.ena.lu for more details on the project).
 4. H. JAMES, *Rambouillet, 15. November 1975. Die Globalisierung der Wirtschaft*, DTV, Munich 1997; N. FERGUSON et al. (eds), *The Shock of the Global: The 1970s in Perspective*, Harvard University Press, Cambridge, 2010.

Gilbert.⁵ A teleological approach to IPE in the 1970s is both problematic and challenging. It is problematic because European integration is not a self-evident “good”. It is not obvious, for instance, that the EMS was an advance or a progress. When hearing people talking about the British decision not to join the EMS, I still have the impression that the underlying assumption is that the British were wrong in doing so: once again, they would have “missed the bus”. At the very least this is debatable. Would it really have been good for the British economy to join the EMS in 1979? Was not the British government genuinely having a different vision of economic and monetary policy at the time, more focused on the necessity to have actual economic convergence prior to monetary unification? The teleological issue is also challenging because it forces to go back to more technical economic and monetary debates. One example, taken from contemporary discussions, can help clarify this point. Analysing the discourse of those against the euro today (or even those against the Maastricht Treaty in the early 1990s), one can observe that they do not necessarily want to leave the euro altogether – or that they did not want any kind of European monetary unification. What they often do not want is the euro to be the single currency in circulation. They instead want the euro to become a common or parallel currency, and reintroduce the use of national currencies. And this discussion actually echoes not only what happened in the 1970s but also in the 1980s and early 1990s: there was a very fascinating debate about the inception of a parallel currency. Yet this debate is usually largely overlooked, because it is technical, because it went nowhere, because of the EMS success story, and finally because it was largely confined to academic economists while the traditional view of the period is that the stars were Valéry Giscard d’Estaing and Helmut Schmidt. But it does matter to study it. We need to get away from a linear success-story going from the EMS to the single currency. And we need to do this because the 1970s was a decade where this range of options did exist. It is hence important to think of the 1970s not only in terms of what was achieved – the EMS – but also in terms of what was not achieved, and why. It would also help to go back to a slightly more intellectual history of European cooperation – what it should be doing, or put it differently: what different people think it should be doing, and why they think so.

Another potential difficulty for this period is the perennial question of the difference between what is actually happening and the perception we have of it. To be sure the same problem holds true for other periods of history. But with the 1970s it is particularly salient, with the rise of unemployment and double-digit inflation. It is indeed quite impressive to read the discourses of the time. One could easily find back declarations of Schmidt or Giscard saying that unemployment has reached unacceptable levels, and that they really feared a social explosion etc. In 1975, the level of unemployment in France is 4%, roughly the same in Germany, 5% in Britain, 6% in Italy, 8% in the US and 2% in Japan. Of course what matters was the overall evolution: for instance in 1973, unemployment in the UK was at 3% and three years later

5. M. GILBERT, *Narrating the Process: Questioning the Progressive Story of European Integration*, in: *Journal of Common Market Studies*, 3(2008), pp.641-662. See also A.S. MILWARD, *États-nations et Communauté: le paradoxe de l’Europe?*, in: *Revue de Synthèse*, 3(1990), pp.253-270.

around 6%, so it had roughly doubled. But this remains figures one would love to have today. Conversely, after having known years of low inflation, I am not entirely sure that we all grasp what 24% of inflation in 1975 in the UK really meant – nor the extent to which it explains the current obsession of many policy-makers with inflation. Overall, there is thus a very important “psychological” dimension to the study of IPE in this period, since this time was dominated by many fears (unemployment, inflation).

Linked to this is the parallel with the 1930s. The crux of the interwar period was the “dual crisis”: the simultaneous collapse of the international economic system and the international political system.⁶ Be they mistaken or not, many leaders in the 1970s feared that just the same would happen again. As a consequence, another aspect which has also in many respects sociological or psychological undertones was the rise of summitry. To a large extent, the inception of the G7 and the European Council was aimed at creating/maintaining/fostering trust among Western/EEC leaders. This is why summitry was institutionalised: to ease and improve cooperation in times of turmoil. Of course it did not go far sometimes, and it just appeared as claptrap. But at least there was some attempt at cooperating in an international forum to discuss political economy – which did not really exist in the 1930s.

A fourth major challenge, derived from the previous one, is that economic and monetary problems lie at the heart of the 1970s. Of course these issues mattered before, and they still matter after. But the shocks of the 1970s were very peculiar. Set aside the fact that the slowdown of Western economies in the 1970s was to certain extent bound to happen, a series of crucial adaptations happened at that time: the eventual collapse of the Bretton Woods system; the oil shock; the resultant macroeconomic problems (unemployment and inflation exploded) and the feeling of political insecurity associated with it. A critical problem for any historian working on the 1970s is therefore to engage with these economic and financial issues. Yet, the discipline of economic history, in some European countries, particularly France and Britain, is in manifest decline in comparison with the rise of social science analyses or cultural, gender and post-colonial histories. But I truly don't think that one can do any decent history of the decade without having a grasp of its economics. As Lawrence Black and Hugh Pemberton put it “historians of all stripes must necessarily engage with the decade's economics if they are to provide the necessary context for their research”.⁷ It was in the 1970s – partly thanks to the emergence of summitry – that political economy became part of “high politics”: as Schmidt himself famously put it, “monetary policy is foreign policy”.

Finally, and perhaps most importantly, one of the great challenges of the study of the 1970s lies in reaching the right balance between the various dimensions of European governance – that is its transnational, supranational and intergovernmental as-

6. R. BOYCE, *The Great Interwar Crisis and the Collapse of Globalization*, Palgrave, MacMillan, Basingstoke, 2009.

7. L. BLACK, H. PEMBERTON, *Reassessing the seventies: the benighted decade*, in: *British Academy Review*, November(2009), p.17.

pects. It seems to me particularly problematic because, sometimes (like in the case of the landmark of the period, the EMS), the influence of purely non governmental actors (business, trade unions) is very tiny not to say inexistent. For the EMS, there was no such thing as the roundtable of industrialists of the Single European Act and we cannot invent it. At the same time the 1970s witnessed a true increase in the organisation and power of such transnational, non-governmental actors. Crucially, the 1970s witnessed the rise of multinational corporations and capital markets. The challenge and difficulty is to reach a balanced assessment of these influences. An explanation based exclusively on either transnational or supranational or intergovernmental approaches does not satisfactorily work. And it particularly does not work in the 1970s with the concomitant 1) rise of summitry, 2) rise of transnational non-governmental actors, and 3) affirmation of supranational ones. It is their interaction which matters in understanding why a given policy outcome has been decided upon.

I do not think, however, that we need a brand new intellectual approach to do this. Quite the contrary, I would rather argue that we need to come back to some of the basics of the discipline of international history. The historiography is currently very Anglophone-centred and it would do no harm to bring in more the contributions of the Franco-Italian school of history of international relations. Many of the ‘new’ approaches brought to the niche of European integration history had actually been developed for quite a while elsewhere. In short, European integration historiography, while duly looking at the debates of other disciplines (not only political science, but also sociology, economics, anthropology), should also very simply look at international history debates and historiography. Breaking from the “state-centric approach” is absolutely fine and needed.⁸ Yet historians should not forget the history of their own discipline: breaking from the state-centric approach is not something new, and to understand this, we must look at the field of international history as such – and to place European integration history as one sub-field of it. Going beyond a mere diplomatic history was indeed at the heart of the emergence of the school of *l’histoire des relations internationales* in France and then Italy. The need for cooperation between historians and political scientists, sociologists, economists, anthropologists, has equally not been invented in the last decade. The *École des Annales* suggested and did it from the 1920s and 1930s onwards.⁹ And importantly for IPE, the original title of the publication was *Annales d’histoire économique et sociale*. Jean-Baptiste Duroselle, Pierre Renouvin and many others then brought it to what was then “diplomatic history”, which as a consequence became “international history”. René Girault and Robert Frank’s *Turbulente Europe et nouveaux mondes* or Ennio Di Nolfo’s *Storia delle relazioni internazionali* then bottle-fed generations of French and Italian

8. W. KAISER, B. LEUCHT, M. RASMUSSEN (eds.), *The History of the European Union. Origins of a trans- and supranational polity, 1950-72*, Routledge, London, 2009.

9. See for instance L. FEBVRE, *Vivre l’histoire*, Robert Laffont, Paris, 2009.

historians.¹⁰ These are international history books which already took into account transnational phenomena and non governmental actors. The various volumes published by Éric Bussière and Sylvain Schirmann over the past decade, entitled *Les milieux économiques et l'intégration européenne*, also applied such a methodology.¹¹ It would arguably be wise for future works on European integration history to engage first with the historical literature of this school of international history, and thus start reading more French and Italian.

Potential new directions

Some of the new directions I suggest below are just informed guesses, and of course largely influenced by my research interests and my own current work. For what they are worth, here are three big issues that I thought might be the focus of future research. The first area is certainly the widest but I think also the most important, and concerns the relationship between ideas and policy change. The 1970s were indeed the pivotal decade in the evolution of the postwar economic and monetary consensus. The late 1970s/early 1980s witnessed the apparition of two radical policy courses, with, to simplify, neo-liberalism on the one hand (implemented in the UK and the US under Margaret Thatcher and Ronald Reagan) and socialism on the other (in France under François Mitterrand). In order to understand how both developed we need very obviously to understand where they come from – and their roots date back from the 1970s and even late 1960s.

One of these areas of investigation, and one which seems to me considerably misunderstood and misrepresented, is monetarism. “Monetarism” has become a catchword synonym of “deregulation”, “free market”, “neo-liberalism” supported by Reagan and Thatcher. But monetarism originated as an academic economists’ investigation into the causes of inflation in the late 1960s. It then moved on to some generalisations, some re-interpretation, but is certainly not as monolithic as is often suggested. Jeffrey Chwieroth has thus recently shown that the IMF’s staff thinking about capital controls was not monolithic.¹² It is fascinating to see the discussions of European central bankers (both in national, European and global settings) and how they react/interpret and consider applying (or not) these ideas. It would thus be crucial to try to trace the evolution of this thinking, how it was received in Western Europe – by central bankers, economists, finance ministers, treasuries, ... – and applied (or

10. R. GIRAULT, R. FRANK, *Turbulente Europe et nouveaux mondes, 1914-1941*, Petite Bibliothèque Payot, Paris, 2004; P. RENOUVIN, J.-B. DUROSELLE, *Introduction à l'histoire des relations internationales*, Pocket, Paris, 2007; E. DI NOLFO, *Storia delle relazioni internazionali, 1918-1999*, Editori Laterza, Roma, 2000.

11. É. BUSSIÈRE, M. DUMOULIN, S. SCHIRMANN (eds.), *Milieux économiques et intégration européenne au XXe siècle. La crise des années 1970*, Peter Lang, Brussels, 2006.

12. J. CHWIEROTH, *Capital ideas: The IMF and the rise of financial liberalization*, Princeton University Press, Princeton, 2010.

not). It is particularly crucial because the centrepiece of the 1970s, the EMS, does not fall into these clear-cut categories. As Schmidt used to say, a consequent monetarist would have opted out of the EMS – and a consequent Keynesian would have done just the same.¹³

Other theoretical discussions of academic economists are also important and should be kept in mind, like the so-called “holy trinity” (fixed exchange rates/circulation of capital/autonomy of monetary policy) set out by Robert Mundell in the 1960s, and still of Mundell (but extensively detailed afterwards by others) the “optimum currency area” debate. It is not only crucial to understand these debates *per se*, but also to see how they evolved and how they moved from academic economists to policy-makers. Just to take one example, it seems to me important to better detail the sequence of events going from Mundell’s triangle of incompatibilities in the 1960s, to Tommaso Padoa Schioppa’s thoughts as head of the DGII from 1979 to 1983, until the creation of the euro. How did these ideas circulate? Were all these steps consciously interconnected? Did the DGII recruit academic economists who had previously worked in the US? Did European central bankers read academic journals or were they simply influenced by informal discussions with academics? Or were they former academics themselves?

A final important issue is the question of how the various EEC policies of the period fit together. Social policy, regional policy, competition policy, etc. are so far largely studied in isolation. This is of course very useful because we know relatively little about them. But it would be important to see the wider picture, how they relate to each other. A good hint at this question was given by the so-called “concurrent studies” which ran in parallel to the EMS negotiations, and were meant to help the participation of the “less prosperous” EEC member states (Britain, Ireland and Italy). This was very interesting because it showed the interaction of economic policies (meant to improve economic convergence between member states) and monetary policy (a semi-fixed exchange rate system shared by the same member states). Was there, more generally, any conscious linkage between the two? It is fairly clear that the Commission was willing to find ways to replicate at the European level the mechanisms of fiscal/financial/regional redistribution which existed in other integrated economies. But how did it intend to do it? What was the opinion of the member states? Attempting to answer these various questions would certainly help having a better sense of the political economy of the decade – and certainly shed light on today’s predicament.

Emmanuel Mourlon-Druol (University of Glasgow)

13. H. SCHMIDT, *Die Deutschen und ihre Nachbarn*, Siedler, Berlin, 1990, p.265.