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Market Making as Crisis Management: A History of the 1985 White Paper

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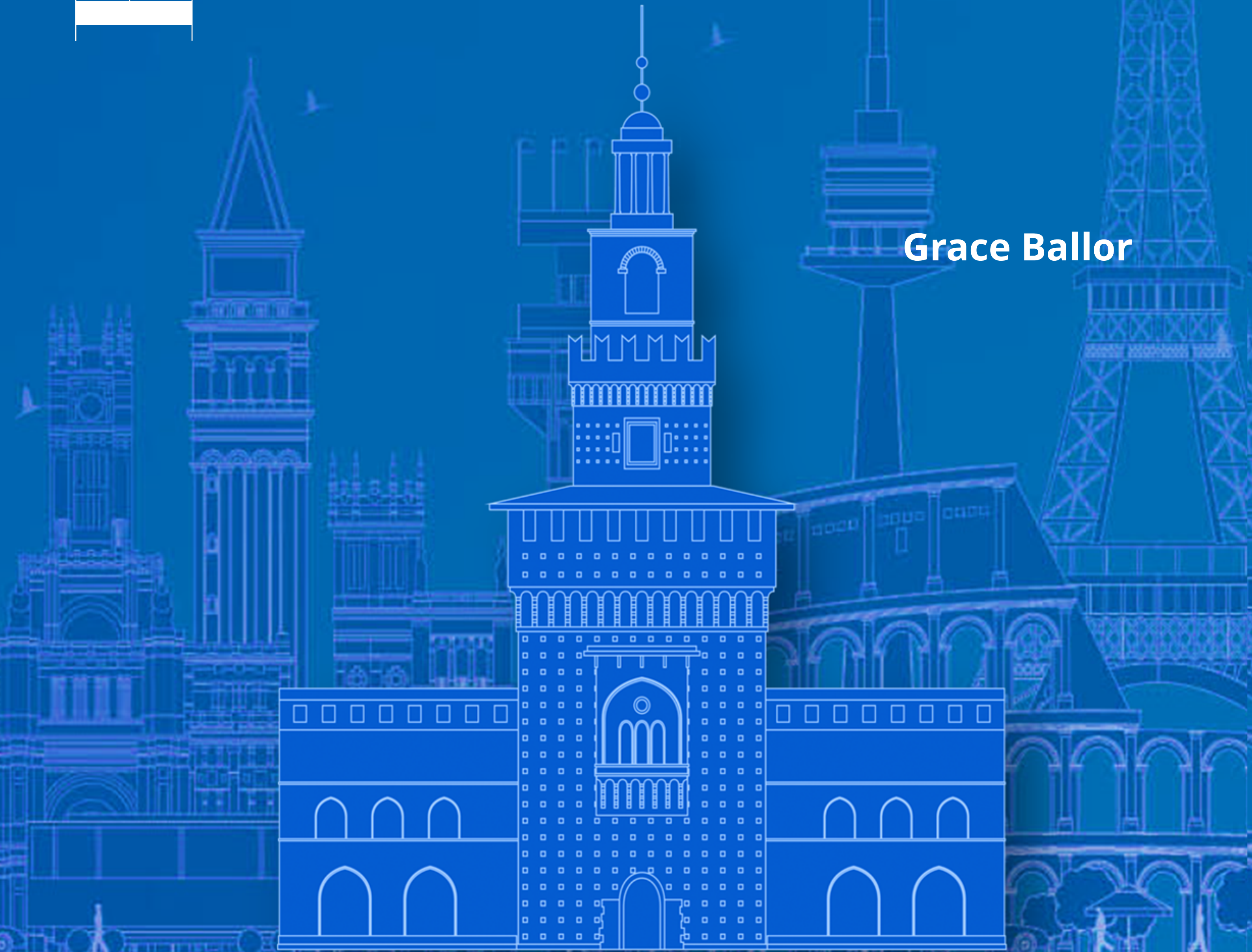

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Introduction

In January 1985, the newly appointed members of the European Commission gathered around their conference table at the institution's Berlaymont headquarters in Brussels to determine how to make a single, internal market. Their primary objectives under new Commission President Jacques Delors were to shepherd the European Economic Community (EEC) out of the crises of the previous decade and reinvigorate the "stalled" European project. Even before officially taking up his position, Delors offered several proposals to achieve those ends, ranging from common defense to monetary union. Above all, it was the agenda of full internal market integration that won unanimous approval among member state governments looking to Brussels for solutions to widespread economic and social problems. By facilitating the free movement of goods, services, capital, and people across member state borders within the EEC, an internal market could remedy the region's economic and social crises, reenergize growth and employment, and re-legitimize the Community, reasoned national officials and regional policymakers. They believed the right market policies could also bolster European competitiveness in a global economy full of rivals from other regions and lay a foundation for further integrative aims like political, economic, and monetary union.

Delors Commission I, 1985-1988[1]

The diversity of Commissioners complicated debates about how to make a market. Not only did the institution's composition change often given the four-year terms of its members during the late 1950s to early 1990s, but enlargements also increased the number and widened the perspectives of its policymakers. Commissioners hailed from countries with drastically different economic systems and policy approaches, ranging from German ordoliberalism to French dirigisme to British neoliberalism, competition between which played out in policy meetings about market integration in the 1980s as much as it had in the EEC's efforts to develop a collective response to the problems of the 1970s. When they designed the Single Market, few of the Commission's then 18 members had training in economics. Some, like the Dutch Frans Andriessen and Manuel Marín from Spain, were lawyers before entering civil service; others, like António Cardoso e Cunha from the new member state of Portugal, had corporate careers before joining the Commission. Such diverse national and professional backgrounds informed their many views on the place of business in the Single Market. For liberal Commissioners like Peter Sutherland, who later became the founding Director General of the World Trade Organization (WTO), regulation posed a threat to the primary goal of growth; for those of more socialist persuasions

[1] European Commission, "Meeting of the Delors Commission (1985)" 1 June 1985, Centre virtuel de la connaissance sur l'Europe (CVCE).

like the Italian environmentalist Carlo Ripa di Meana, the market was only worth pursuing if it could provide a path to humane, cohesive, sustainable, and equitable development – not guaranteed by the "invisible hand" of market forces. In some ways, these diverse perspectives enriched the work of market making. At the same time, discrepancies within the institution underscored the challenges of intergovernmental consensus and left its policymaking endeavors open to outsized influence from those with vested interests in certain market outcomes. Despite their differences, however, policymakers in the Commission developed a comprehensive program for market integration that relied on the regionalization of business.

This paper, derived from a chapter of my forthcoming book with Cambridge University Press, *Enterprise and Integration: Big Business and the Making of the Single European Market*, historicizes the Single Market Program, which transformed regional economic, commercial, competition, industrial, and social policies and remade the relationship between firms and European governance. It contextualizes the challenges that motivated the EEC to pursue market integration and argues the Commission viewed market making as a means of economic and social "crisis management."

"Crisis" Management

EEC economies floundered in the early 1980s. Three decades of economic integration since the Treaties of Paris and Rome in the 1950s had removed tariff barriers, created a customs union, and increased trade between EEC member states. But the momentum of postwar economic miracles stalled by the late 1960s. The searing hot 6-8% growth rates of postwar reconstruction cooled to 3-5% by the end of the 1960s, and the volume of trade between EEC member states plateaued. In the 1970s, traditional manufacturing collapsed, inflation and unemployment both surged. Downward pressure on economic growth was punctuated by oil shocks in 1973 and 1979. That European economies lagged their counterparts in other regions – and that foreign companies, especially from the US and Japan, increasingly claimed greater market shares in the EEC – only heightened the sense of urgency for a collective policy response lest Europe be relegated to the margins of the globalizing economy. Some observers argued that the European project itself had stalled with the region's economies. "Eurosclerosis" gave way to "Europessimism:" if the world's only supranational institutions could not solve such problems, then what was the EEC good for? Such criticism came from politics, academia, and the general public, whose support for the EEC had dwindled to just 25% in 1980 and for whom the introduction of direct elections and new powers for the European Parliament still did not solve what they saw as the Community's fundamental democratic deficit.[2]

European officials and policymakers met frequently during this period to triage both the region's economies and the EEC's legitimacy. They were particularly concerned about solving widespread unemployment and "stagflation," the dangerous combination of high inflation and slow growth, which averaged just 0.6% across the EEC in 1981. Uneven development also troubled the European Parliament and the consultative body of the Economic and Social Committee, both of which drafted recommendations on cohesive economic policy. Meanwhile, consumer price inflation soared, reaching 12% in 1980.[3] Unemployment rates increased steadily throughout the 1970s, too, averaging 6.5% by late 1980 as manufacturing productivity increased and then gave way to services.[4] As relatively new entrants to European labor markets, women fared far worse than their male counterparts in finding work. In Italy, for

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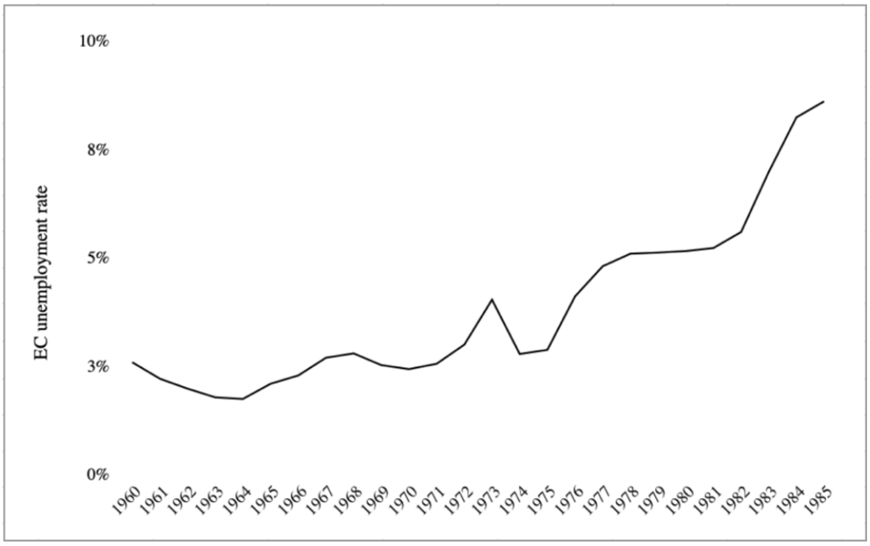
[2] European Commission, *Together since 1957: 35 Years of Eurobarometer: European Integration as Seen by Public Opinion in the Member States of the European Union*, 2009.

[3] European Commission, "Annual Economic Report 1980-81: COM(80)596 Final," October 15, 1980, Archive of European Integration (AEI).

[4] European Commission, "European Economy: 1998 Broad Economic Policy Guidelines" (Directorate General for Economic and Financial Affairs, 1998).

example, female unemployment topped 10.2% at the height of the recession following the 1979 Oil Shock.[5] Social tensions manifested in mass protests, and industrial action became a frequent mode of expression for frustration and dissatisfaction with national governments, especially where the Keynesian economics of state intervention seemed to have failed.

EEC Real Growth Rate, 1960-1985[6]



EEC Unemployment Rate, 1960-1985[7]

Many EEC officials experienced these economic and social challenges as natural disasters, as unavoidable and unforeseen exogenous shocks, rather than as cumulative consequences of business cycle undulations, policy decisions, and geoeconomics, let alone as a structural collapse of capitalism. Few discussed the cycle theories of Clément Juglar, Nikolai Kondratiev, and Thorstein Veblen when growth plateaued and unemployment rose in the 1960s and 1970s. They engaged only slightly more with contemporary economic theorists, although they did so seemingly indiscriminately, with no clear

[5] "Unemployment Statistical Telegram: Monthly Statistics of Registered Unemployed in the Community" (Eurostat, February 15, 1980), AEI.
[6] European Commission, "European Economy: 1998 Broad Economic Policy Guidelines" (Directorate General for Economic and Financial Affairs, 1998): 70-85.
[7] European Commission, "European Economy: 1998 Broad Economic Policy Guidelines" (Directorate General for Economic and Financial Affairs, 1998): 64-69.

ideological bias. Reflecting the diversity of thought within the region and its institutions, they invoked liberal and state interventionist, supply side and demand side, marketeer and monetarist thinkers in nearly equal, although small, measures. Just six working papers mentioned Friedrich Hayek in assessments of agriculture and consumer protections. Joseph Schumpeter's writing on innovation made its way into a modest dozen policy documents produced by the EEC before the mid-1980s. Milton Friedman was marginally more popular, with citations in 16 documents on purchasing power parity, world hunger, inflation, and labor markets. John Maynard Keynes loomed largest in EEC economic thinking; nearly 90 working papers, speeches, and official texts cited his work in relation to postwar political economy and monetary union. Overall, though, those making economic policy decisions for the EEC rarely referenced economic theory in their attempts to make sense of – and manage – the region's economic challenges.

By contrast, the mythos of Jean Monnet's famous maxim that Europe will be forged in crises and will be the sum of the solutions adopted for those crises" had permeated European institutions, however ahistorical and problematic.[8] More than 5,000 EEC documents across the EEC's official languages addressed the urgency of "crisis/es" from the 1950s to early 1980s. By that time, European officials seemed convinced of their responsibility to rise to the occasion and manage the crises out of which they, too, believed Europe would continue to be forged. In 1981, West German Foreign Minister Hans-Dietrich Genscher and his Italian counterpart Emilio Colombo drafted a joint proposal to reinforce political cooperation and collective foreign policy by weakening member state veto power. This Genscher-Colombo Plan for a European Act concluded that the solidarity of the Community and its strength on the world stage was contingent on solving the region's economic and social problems, for which "the common market must not only be maintained: it must be brought to completion." Full economic integration, the plan argued, would position the Community to realize the "potential of the European economic area, increase its competitiveness, improve investment opportunities and reduce the level of unemployment."[9] Even the success of European foreign policy required internal market integration. And the narrative and responsibility of crisis management drove the Council to call on the Commission to look for new, remedial policy avenues to reenergize economic growth.

Relaunching the Community

In 1982, just after Greece joined the EEC and amid discussions about another enlargement to include Spain and Portugal, the heads of member states on the European Council cited the convergence of external and internal pressures in their appeals to "relaunch" the Community and its "unfinished integration," however anachronistically framed given the achievements of the preceding years. After several months of meetings, including deliberations on the Genscher-Colombo Plan, the Council held a Summit in Copenhagen, at which it endorsed the "need for a comprehensive strategy for achieving a marked improvement in the employment situation through the creation of durable new jobs" through a broad range of interlinking member state and regional policies.[10] To policymakers in the Comission, manufacturing seemed best placed to the deliver "durable" jobs the Council wanted and recapture the employment rates and industrial economy of the postwar boom. Furthermore, reduced interest rates

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[8] Jean Monnet, *Memoires* (Artheme Fayard, 1976); Laurent Warlouzet, "European Integration History: Beyond the Crisis," *Politique européenne* 44, no 2 (2018): 98-122.

[9] Hans-Dietrich Genscher and Emilio Colombo, "Draft European Act Submitted by the Governments of the FRG and Italy, 6 November 1981," *Bulletin of the European Communities*, November 1981, No 11. Luxembourg: Office for Official Publications of the European Communities: 87-91.

[10] European Council, "The Presidency's Conclusions on the Proceedings of the European Council, Copenhagen 3-4 December 1982," 1982.

could encourage productive activity; investing in new industries could prepare young people to take advantage of high-tech jobs; reorganizing working hours and facilitating mobility could afford Europeans more flexibility; removing market barriers could boost trade; dynamic energy policy could simultaneously offer savings and diversify supply; and strengthening the EMS could increase international cooperation. In short, growth and employment were the goal. Whatever policy agenda they settled on to these ends would also have to align with their objectives for international trade in the ongoing GATT negotiations of the General Agreement on Tariffs and Trade and collective foreign policy.

When the Council met in Stuttgart in June 1983, its members not only identified their priorities for relaunching the Community, but they made a Solemn Declaration to create the European Union they determined was necessary "to meet the dangers of the world situation" and ensure "social progress."[11] To achieve the vision of a union bound by the "common destiny" of democracy and human rights, the Council laid out four major spheres of work to be completed, chief among which were solving employment and inflation and strengthening the European Monetary System and common commercial policy. The Declaration secondarily aimed to complete the unfinished internal market, develop a common industrial strategy to make European business more globally competitive, and facilitate legal approximation to protect industrial and commercial property, ensure consumer protection, and achieve a common company law.[12] The Council turned to the Commission as the "driving force in the process of European integration," empowering it to develop policy proposals that could give new life to the Community and eventually constitute a Treaty on European Union.[13]

Under Gaston Thorn, Luxembourgish politician and Commission president from 1981-1985, the Commissioners responsible for internal market (Karl-Heinz Narjes, Germany), industry (Étienne Davignon, Belgium), and competition policies (Frans Andriessen, Netherlands) renewed their efforts to achieve the economic aims set by the Council. Thorn, who, according to his successor Jacques Delors, "submitted about fifteen very interesting plans to deepen the single market" – none of which were ever adopted because of the unanimity rule, also encouraged business groups like the Chambers of Commerce to reinforce its political support for more market integration, lest Europe succumb not only to competition from the US and Japan but also to what he described as the dirigiste inclinations of European officials.[14] Thorn's leadership was quickly eclipsed by the charisma of his vice-president and erstwhile rival Viscount Étienne Davignon, whose long career in Belgian politics, European institutions, and business included serving as the attaché of Paul-Henri Spaak, architect of the common market in the 1950s. Davignon also authored a report on the future of collective foreign policy and the problems of political unification in 1970, and his charisma won him a large rolodex of corporate contacts.[15] He was keen to bring European multinationals into the EEC's political process by creating a forum similar to the US Business Roundtable.[16] The European Roundtable of Industrialists (ERT) was created in April 1983 and met biannually with the Commission at Berlaymont – including in June 1985 – to advise pol-

[11] European Council, "Solemn Declaration on European Union," Stuttgart, 19 June 1983. In January 1983, the EEC created an "Internal Market Council."

[12] Official Journal of the European Communities, "Resolution du conseil du 12 julliet 1982 concernant une action communautaire pour combattre le chômage, No C 186/1, BAC 174/1999 n. 2505 (1985), Archives of the European Commission, Brussels (COM).

[13] European Council, "Solemn Declaration," 5.

[14] European Commission, "Une perspective europpéenne: Intervention de Gaston Thorn, Lors d'un dejeuner, Causerie organise par la chambre de commerce de Bruxelles," Avril 1984: 13; Jacques Delors "The Single Market: Cornerstone of the EU," *Notre Europe*, 22 November 2012.

[15] Bulletin of the European Communities. November 1970, n° 11. Luxembourg: Office for Official Publications of the European Communities. "Davignon Report (Luxembourg, 27 October 1970)", p. 9-14.

[16] Edwin Artzt (Procter & Gamble Company), "Letter to Viscount Étienne Davignon on a European Business Roundtable, 10 May 1979," INV 0015/2019 no. 7 (1977-1983, COM.

icymakers about how to stimulate the European economy and discuss "Obstacles to European Industrial Growth."[17]

Beyond the ERT, Commissioners met frequently with many sectoral BIAs to solicit industry input on policy proposals and encourage business groups to embrace the EEC's economic agenda. Forums like the Center for European Policy Studies (CEPS) in Brussels also brought public and private interests together expressly for the purpose of advancing their common policy objectives. At CEPS in 1984, Wisse Dekker, Chairman of the Dutch multinational Philips, outlined a five-year plan to complete an internal market by removing physical, technical, and fiscal barriers to trade. Developing common European policies seemed far too burdensome to meet Dekker's 1990 deadline; instead, collective deregulation offered a much more expedient path to policy convergence. Anxious about further economic downturn, Dekker argued: "there is really no choice…The only option left for the Community is to achieve the goals laid down in the Treaty of Rome. Only in this way can industry compete globally, by the exploiting of economies of scale for what will then be the biggest home market in the world."[18] At the same time, the European Parliament passed a Resolution on the need to implement the internal market for the benefit of all stakeholders.[19]

The Politics of Market Making

As new Commission President, Delors' presidential mandate was clear: relaunch the Community. It was his responsibility, together with his cabinet chief Pascal Lamy, to develop the Commission's policy agenda for how best to do that and to allocate policy portfolios to his fellow Commissioners accordingly. Given his career experience in central banking, Delors argued that a single currency would most effectively propel the EEC forward out of crisis and toward closer union. He was careful, however, to temper his ambition with pragmatism. To ensure member state support for his policy agenda, he shopped four proposals around member state capitals in the fall of 1984, asking heads of state what major project they thought would best reinvigorate the region and reenergize its economy: developing common defense, creating a monetary union, pursuing institutional reform to resolve the EEC's persistent democratic deficit, or completing the internal market? Only market integration earned the unanimous support of Council members, so Delors resolved to complete the internal market as the foundation on which his other aims could be achieved. Consequently, beyond managing the crises of secular stagnation and social strife, market making was motivated by a constellation of diverse economic, political, and social ambitions for the EEC, some of which were eventually incorporated into efforts to create a single market.

Portfolio allocation had always been a complicated set of negotiations, and the objective of successfully relaunching the Community by completing an internal market that could lay the foundation for economic and monetary union only raised the stakes. In this, too, Delors proved himself to be both highly pragmatic and an effective diplomat. In October 1984, he went to London to meet Thatcher, who insisted that her Commission appointee Francis Arthur Cockfield – a London School of Economics law

[17] European Roundtable of Industrialists, "Foundations for the Future of European Industry," June 1985, PSP-385, HAEU: 6-7.
[18] Dekker published his 1984 plan in an academic journal the following year: Wisse Dekker, "Europe 1990: An Agenda for Action," *European Management Journal* 3, no. 1 (March 1, 1985): 5–10.
[19] Klaus Löffler, "More of a Heavyweight Than It Looks: The European Parliament's Role in Setting Up the Internal Market," *Commission of the European Communities: Monthly Newsletter on the Single Internal Market*, 4 April 1992. For more on the role of the Parliament in market integration, see: Laurent Warlouzet, *Completing the Single Market: The European Parliament and Economic Integration, 1979-1989* (LU: Publications Office of the European Union, 2020).

graduate who worked in both private sector finance and government taxation and served as UK Minister for Trade under the Conservatives – be given responsibility for the internal market. Thatcher wanted to position British interests at the center of the Commission's policy agenda and limit Delors' other ambitions. Delors agreed and even made Cockfield a vice-president of the institution, further cementing a good working relationship with the British Prime Minister committed to market liberalization at home and abroad and skeptical of the overreach of regional governance. In theory, Davignon's departure from the Commission meant that his behemoth portfolio could be reapportioned. But even after the separation of energy and nuclear policy from industrial affairs, Cockfield secured a capacious brief including the internal market, financial services, company law, taxation, the customs union, manufacturing, pharmaceutical and chemical industries, construction, and distribution, allowing him to expedite his development of market policies unimpeded by colleagues with intersecting responsibilities. The remaining portfolios were delegated at a preparatory meeting of the new Commissioners and their cabinets at the Royaumont Abbey outside Paris in December 1984, where German Karl-Heinz Narjes was charged with Industrial Affairs.[20]

The Milan Council Meeting and Single European Act

Within a week of the Commission officially convening in early January 1985, Delors formally announced the "thrust" of his institution's agenda to the European Parliament: to endow Europe with economic, technological, financial, and monetary strength through a "large market and industrial cooperation, the strengthening of the European Monetary System, and the convergence of economies to lead to higher growth and more jobs."[21] He emphasized – and perhaps exaggerated – the crises Europe faced to underscore his point.[22] The Community had not yet realized the objectives of the Treaty of Rome, he argued, because the "engineers of European integration are fumbling not over 'what has to be done' but rather over 'how to go about it.'"[23] The *what* was clear: to create a "tangible Europe, a real Community," to restore Europe's credibility by rediscovering the path to economic growth, and "to eliminate all frontiers in Europe by 1992," within two of the Commission's four-year terms.[24] He cited Davignon's ESPRIT Program as a model of how an integrated market could throw open the doors to innovation, competition, and growth, simultaneously expanding choices and reducing prices for consumers. Although Delors assured the Parliament that he was realistic about the challenges of creating a single currency right away, he argued that the market's objectives could be accelerated by economic and monetary union. Regardless of the economic means, he promised that the Commission, as "engineer of this European construction project" and "guardian of the public interest," would attend to the needs of all stakeholders – business and commerce, firms and workers – whose participation and collaboration would be essential to the market's success.[25] But devising a plan to achieve a true internal market – the *how* – would take "a little time," perhaps until March. It would also require institutional reform, since the unanimity principle established in Article 100 of the Treaty of Rome had hampered progress toward market integration in the past and, as Delors discovered on his tour of member state capitals a few months before, national priorities differed widely.

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[20] "Delors and his 13 Apostles," *Economist* 17 May 1984, JD-17, FJME.

[21] European Commission, "The Thrust of Commission Policy: Statement by Jacques Delors, President of the Commission, to the European Parliament" 14-15 January 1985, Strasbourg (Bulletin of the European Communities): 9.

[22] Wayne Sandholtz and John Zysman, "1992: Recasting the European Bargain," *World Politics* 42, no. 1 (1989): 98.

[23] European Commission, "The Thrust of Commission Policy," 4.

[24] European Commission, "The Thrust of Commission Policy," 5-6.

[25] European Commission, "The Thrust of Commission Policy," 10.

Although not all parliamentarians welcomed Delors' agenda in January 1985, Cockfield wasted no time in tackling the question of method that had frustrated earlier efforts to integrate member state markets. Over the following months, he developed an extensive three-pillared plan, not unlike the brief proposed by Dekker, to remove all physical, technical, and fiscal barriers to trade through 279 measures of legislative harmonization, like developing a common value added tax, regulating state aids, and opening public procurement contracts across the EEC. These measures were to be implemented through Directives – legislative acts drafted by the Commission and approved by the Council with input from the Parliament – that outlined results to be achieved by each member state. Cockfield's plan also included a "New Approach" to standardization, the process of creating common norms and technical standards, around which policymaker and big, especially industrial, business interests converged. By June, the Commission submitted Cockfield's "White Paper on Completing the Internal Market" to the Council for approval at its Milan Summit, where it was also considering the Dooge Committee's Report March 1985 Report on institutional reform and the strategy of using market integration as a means of political unification.[26] The White Paper described Europe at a crossroads, facing the choice between embracing the future of a Single Market with resolution and determination or simply allowing Europe to slip into the mediocrity of being nothing more than a free trade area, rather like the EEC's economic rival in the region, the EFTA.[27] And it argued that Europe could only retain its place in the global economy "by enabling industries to make economies of scale and therefore to become more competitive."[28] Council members, who had already unanimously supported Delors' proposed agenda of market integration, readily accepted the White Paper and its completion deadline of 31 December 1992, giving Cockfield the confidence to declare the Single Market Program the "flagship of the enterprise" at the core of the EEC and himself the architect and "Father of the Single Market."[29]

That the EEC had barely managed a handful of legislative harmonization measures each year before 1985 made the 1992 Program's timeline look like an unwinnable race, however. Only institutional reform could accelerate the process. With the market as motive and the Dooge Report as a guide to the comprehensive economic and social objectives of market making, the Council agreed to an unprecedented Intergovernmental Conference in September 1985 on amending the Treaty of Rome.[30] Among the many interventions achieved by the fraught negotiations over the resulting Single European Act (SEA), signed in February 1986 and effective in July 1987, were augmenting the agenda-setting authority of the Commission, increasing the power of the European Parliament to make decisions with the Council about the internal market, and entrusting the Economic and Social Committee – consisting of representatives from industry, labor, and the general public – with commenting on policy proposals.

Most importantly, the SEA replaced the cumbersome unanimity principle, which had impeded earlier efforts to remove non-tariff barriers and integrate Community markets, with an extension of qualified majority voting (QMV) first established in the Luxembourg Compromise of 1966.[31] This allowed the Council, in cooperation with the Parliament and with input from the Economic and Social Commit-

[26] European Council, "Ad hoc Committee for Institutional Affairs Report to the European Council (Brussels, 29-30 March 1985) [Dooge Report]," March 29, 1985.

[27] European Commission, "White Paper from the Commission to the European Council on Completing the Internal Market (COM(85)310 final)," Milan, 28-29 June 1985: 55.

[28] European Commission, "White Paper."

[29] Arthur Cockfield, *The European Union: Creating the Single Market* (Chichester: Wiley Chancery Law, 1994).

[30] Commission des Communautes Europeennes, "Comte rendu de la 11ème réunion du comite ad hoc pour les questions institutionelles (Comite Dooge) les 13, 14, et 15 mars 1985," Bruxelles, 19 mars 1985, COM.

[31] Council of the European Communities, "Report on European Institutions, Presented by the Committee of Three to the European Council (October 1979)," Centre virtuel de la connaissance sur l'Europe.

tee, to move past persistent deadlock and make economic policy decisions on a majority basis. By restricting member state veto power, the EEC could harmonize legislation much more efficiently and embark fully on a Single Market Program. Indeed, the pace of harmonization reported biannually by the Commission quickened in 1988 and beyond. Moreover, combining the principle of mutual recognition outlined in Articles 30-36 of the EEC Treaty and developed further in the ECJ's ruling in the Cassis de Dijon case with the new approach to legal harmonization presented in Article 100a, the SEA provided the institutional framework required to complete the White Paper's agenda of legislative harmonization.[32] Even if the SEA was ultimately achieved through interstate bargaining, many business groups had advocated for EEC reform and many more welcomed the resulting acceleration of progress toward an internal market.

According to Jacques Delors, "[The SEA] was based on a triptych [...]: competition that stimulates, cooperation that strengthens, and solidarity that unites. [...] the missing link [...] is cooperation. That can of course be remedied through a total transfer of sovereignty to the European level, but such a prospect is neither possible nor entertained by the member states." However much such a transfer of sovereignty might seem to supplant democracy, Delors argued that the EEC's commitment to cohesion and its focus on social dialogue "which was very much alive between 1985 and 1994," achieved the following economic and social results "between 1986 and 1992: an additional 0.5 percent growth; 11 million new jobs created; a one-third increase in investments; and the development, both internally and externally, of mergers and acquisitions, thus a strengthening of competitiveness."[33]

Conclusions

As instrumental as the White Paper and SEA were in creating a framework for market integration, policymakers recognized that achieving the Single Market and its economic and social objectives required firms to engage in business activity across EEC member states. From the start of the 1992 Program, the Commission worked to convince European companies of the opportunities afforded by an internal market and to develop programs for facilitating business regionalization. The primary targets for these efforts, especially during the mid and late 1980s, were big European companies, multinational corporations already doing business in multiple EEC member states and poised for further expansion in the Community. Policies aimed at business in the Single Market evolved considerably during the 1992 Program due to the diversity of Commissioner perspectives and in response to the changing geopolitical and economic landscape of Community enlargements, the collapse of the Soviet Union, global competition, and and Economic and Monetary Union. Through debates about industrial intervention and protectionism on the one hand and open competition and full liberalization on the other, a set of policies took shape around business in the Single Market. By the time Delors began his second term as Commission President with a new cohort of colleagues and new mandates to create a single currency and prepare the EEC for both deeper political union and the potential of Eastern enlargement, policymaker approaches to business took on further social and environmental dimensions.

Immediately following the Milan Council Summit in summer 1985, Cockfield embarked on a speaking tour to promote the internal market to European business. In addition to clarifying elements like intellectual property, insurance, and the recognition of healthcare worker credentials, he used his speeches to court market support from Chambers of Commerce and Confederations of Industry, encouraging their members to "seize Europe's opportunities" and offering advice about how to navigate the

[32] Official Journal of the European Communities, "Communication on the Free Movement of Foodstuffs within the Community," 89/C 271/03, Vol. 32, (24 October 1989): Communication, A. Introduction, 1.
[33] Jacques Delors, "The Single Market: Cornerstone of the EU," *Notre Europe*, 22 November 2012.

challenges and opportunities presented by the Single Market.[34] In many cases, Cockfield's audiences were already strong proponents; as he later recalled in his memoir, "nowhere did the concept of re-launching the Community receive greater support than in the top ranks of European industry."[35] Large corporations and peak BIAs were increasingly engaged in political activity in Brussels, especially after the SEA increased the Commission's capacity to set regional policy. Throughout the 1992 Program, the Commission continued to meet with the ERT, business networks, and sectoral BIAs to solicit business input on market policies and urge firms to embrace the market.

This pre-history of the White Paper on Completing the Internal Market represents just one part of a much larger story about the objectives and politics of making a single market, as well as the role of business in market integration. By surveying the macroeconomic context that motivated Council discussions about relaunching the Community by solving its economic and social problems and reviewing the role of business in the market's design and the politics of market making in the Commission, this paper has historicized the economic thinking behind the Council Summit in Milan in June 1985.

At the Castello Sforzesco, the Council agreed with the Commission's conclusion that an internal market could provide the economic and social "crisis management" the Community needed and secure its global economic competitiveness. My book explains how, by supporting the development of big "European" – especially industrial – business, the Commission aimed to deliver growth and "durable jobs," the EEC simultaneously relegitimized itself in the eyes of Europeans and laid the foundations for backlash against a neoliberal EU.

[34] Arthur Cockfield, "Seizing Europe's Opportunities, Speech to the Chambers of Commerce of Belgium and Luxembourg," 11 November 1985, COM.
[35] Cockfield, *The European Union: Creating the Single Market,* 177.