

European Public Policy

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ABSTRACT

Since 1948, European public policy has developed in a number of economic and social areas, ranging from the Common Agricultural Policy (CAP) and gender equality to Airbus. This great diversity has been coupled with a dominant tendency aiming to create a large and unified European market. This market-oriented position has been complemented since the 1980s by a neo-liberal approach on the one hand, and by the development of social and societal policies on the other.



Columbus Module gets loaded in an Airbus-Beluga at Bremen airport.

The increase in international organizations in Europe since 1948 has prompted the implementation of public policies, on both a European scale and in a number of areas. The degree to which public prerogatives have been made common varies, ranging from intergovernmental cooperation to highly federalized policies (such as the CAP). Three economic and social models can be distinguished: a market-oriented one that was dominant from the beginning, a more recent neo-liberal trend, and finally more specific social and societal policies.

European cooperation developed largely around a market-based rationale. For the elites dominating Western Europe after 1945, the counter-model was the Europe of the 1930s, consumed by the protectionism that had encouraged isolationism and autarkical policies, with economic nationalism fuelling political nationalism. On the contrary, the model was the great American market, whose size was synonymous with productivity gains, and consequently with a higher standard of living. This explains why the primary goal of numerous European

organizations was the implementation of a large European market. What was needed was a gradual dismantling of the obstacles to commercial exchange between member countries. The OEEC of 1948 tackled quotas in particular, whereas the ECSC (1951) and the EEC (1957) also included customs duties. The ECSC and especially the EEC included complementary provisions that were implemented more gradually, such as the disappearance of certain tax borders, the supervision of cartels and concentration through competition policy and, beginning with the Single European Act of 1986, the standardization of technical regulations. Foreign trade was also liberalised as part of the negotiating “rounds” for the GATT (now the WTO), in which the European Commission negotiated on behalf of EEC and later EU member states, within the limits of the mandate it had been granted. The dominant logic was pro free trade, but not neo-liberal. In fact, the welfare state was able to develop during the *Trente Glorieuses* [the 30-year post-war boom], notably through ambitious social and industrial policies, without interference from European institutions. Europe-wide industrial cooperation developed on an interstate basis, apart from existing European organizations. It was particularly important in strategic sectors such as aviation (Airbus) and aerospace (Ariane), where the logic of international competition was combined with a strong state proactive stance. Since the 1980s, a more neo-liberal trend can be distinguished. The term “neo-liberal” should not be confused with a more classical liberal approach. Hence support for free trade, or the adoption of austerity policies to restore the international credit of a country in difficulty, do not date from the 1980s, as demonstrated, for instance, by the Rueff-de Gaulle Plan of 1958. The neo-liberal approach designates, more specifically, the public policies for rolling back the welfare state, which were put in place beginning in the 1980s with differing chronologies. On the level of European institutions, this development took the form of closer control over state aid and sector deregulation (rail and air transportation, telecommunications, postal service, energy), both of which limited the room for action of national industrial policies. Another example was the coordination of macroeconomic policies. It was not intrinsically neo-liberal, but it became so when it gave priority to lowering deficits in order to guarantee currency stability and low inflation. This dual goal was in fact the central ambition of the Economic and Monetary Union (EMU, established in 1992) upon the insistence of northern European countries, especially the FRG. This aspect was particularly visible in the case of the Greek and Irish bailouts of 2010. Both were largely based on strict conditions, in conjunction with the IMF, which has used such policies for a long time. Aside from these exceptional cases, which are connected to the economic crisis experienced by the continent since 2007, constraints on states remain essentially among states themselves, more so than on the federal level. The 1997 Stability and Growth Pact has served as a code of conduct for the states. It was not very restrictive, as demonstrated by the incident in 2003 when the Commission was unable to impose its recommendations on the two major countries in violation, France and Germany. The reforms of 2011 and 2012 were intended to make it more coercive.

A third direction for European public policy is its social and societal dimension. These generally accompany market-based policies, as it was never a question of creating a European welfare state on account of the fact that the spirit of solidarity continues to be eminently national. Nevertheless, European policies for certain populations were felt to be necessary. These notably included support policies for migrant labour within the European Communities (standardization of social security schemes for migrant workers, implementation of the free circulation of workers). Additionally, the Erasmus program has encouraged student mobility in Europe since 1987. In another sector, a policy of aid for the poorest regions within the EEC/EU was applied beginning in 1975, initially under the name of “regional policy”, and then of “cohesion policy”. In France, the overseas territories (DOM-TOM), Corsica and regions undergoing deindustrialization benefitted in particular. Finally, the CAP is a unique example of a sector-based redistributive policy that was highly federalized. Implemented in 1962, it initially aimed to increase agricultural production in a Europe still traumatized by the privations of the 1940s, as well as to support the income of farmers facing destabilizing changes. The reforms of 1992 and 2003 reinforced its market-oriented nature, while presenting numerous exceptions through provisions addressing social, regional and environmental questions.

The more cross-cutting societal policies are essentially environmental and gender equality policies developed by the EEC/EU since the 1970s, sometimes in confrontation with certain member states, such as France’s reluctance

to adopt unleaded petrol in the 1980s. Finally, the promotion of human rights by the Council of Europe's Court, the European Court of Human Rights, should also be mentioned. This court's jurisprudence specifically applies to France beginning with ratification of the Convention on Human Rights in two stages, in 1974 and in 1981.

European public policy is thus characterized by great diversity in many areas of activity, even if a dominant model of market-oriented policy has marked the process of European cooperation since 1945. Today's debate is over the relative role of the two other social and economic models, that of the neo-liberal approach on the one hand, and of social and societal policies on the other.

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