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# Programming the Common Market: The Making and Failure of a ‘Dirigiste’ Europe, 1957–1967

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This article contributes to the debate about the history of the political economy of the European Economic Community (EEC). It retraces the efforts during the early years of the EEC to implement a form of ‘European economic programming’, that is, a more ‘dirigiste’ type of economic governance than is usually associated with European integration. Based on a variety of archives, it offers a new account of the making and failure of this project. It argues that, at the time, the idea of economic programming found many supporters, but its implementation largely failed for political as well as practical reasons. In so doing, it also brings to light the role of economists during the early years of European integration.

## Introduction

This article contributes to the debate about the history of the political economy of the European Economic Community (EEC) and of the European Union (EU). Since the economic crisis of 2008 this issue has been under intense scrutiny. In particular, several historical works have contended that neoliberalism was congenital to European integration. Crucial to this interpretation, the role of German ordoliberalism has been strongly emphasised.<sup>1</sup> Ordoliberalism, a variant of economic liberalism in which the state ensures that the free market produces desired results, played a major role after the end of the Second World War in Germany, and eventually in European integration. In spite of notable differences, it inspired the doctrine of ‘social market economy’ that became the watchword of German economic policy, and, later, that of the EU.

But, in a sometimes heated polemic, some authors have insisted on the different intellectual currents represented during the early days of European integration, and on the strong economic debates between their proponents.<sup>2</sup> In particular, Laurent Warlouzet and others<sup>3</sup> have unearthed the role of a

<sup>1</sup> See Arnaud Lechevalier, ‘Why and How has German Ordoliberalism Become a French Issue? Some Aspects about Ordoliberal Thoughts We Can Learn from the French Reception’, in Joseph Hien and Christian Joerges, eds, *Ordoliberalism, Law and the Rule of Economics* (Oxford and Portland: Hart Publishing, 2017); François Denord and Antoine Schwartz, (2010). ‘L’économie (très) politique du traité de Rome’ *Politix*, 89 (2010), 35–56; Sebastian Dullien and Ulrike Guérot, *The Long Shadow of Ordoliberalism: Germany’s Approach to the Euro Crisis*, 2012; [http://www.ecfr.eu/page/-/ECFR49\\_GERMANY\\_BRIEF.pdf](http://www.ecfr.eu/page/-/ECFR49_GERMANY_BRIEF.pdf) (last accessed 15 July 2019); Pierre Dardot and Christian Laval, *The New Way of the World: On Neoliberal Society*, trans. Gregory Elliot (London: Verso Books, 2014); David Schäfer, ‘A Banking Union of Ideas? The Impact of Ordoliberalism and the Vicious Circle on the EU Banking Union’, *Journal of Common Market Studies*, 54, 4 (2016), 961–80.

<sup>2</sup> Laurent Warlouzet, *Governing Europe in a Globalizing World: Neoliberalism and its Alternatives Following the 1973 Oil Crisis* (London: Routledge, 2018); Brian Shaev, ‘Liberalising Regional Trade: Socialists and European Economic Integration’, *Contemporary European History*, 27, 2 (2018), 258–79; Brigitte Leucht, Wolfram Kaiser and Morten Rasmussen, eds., *The History of the European Union Origins of a Trans- and Supranational Polity 1950–72* (New York: Routledge, 2009); Éric Bussière, ed., *Europe organisée, Europe du libre-échange? Fin XIXe siècle - années 1960* (Bruxelles: PIE Lang, 2007).

<sup>3</sup> Katia Caldari, ‘From “Planning” to “Programming”: A Lost Opportunity for the European Project?’, *Forum for Social Economics*, 18 (2019), 1–17; Eric Bussière, ‘Les tentatives d’une politique économique et monétaire’, in Michel Dumoulin et al., eds., *La Commission européenne 1958–1972: histoire et mémoires d’une institution* (Luxembourg: Publications Office, 2014), 405–22; Laurent Warlouzet, *Le Choix de la CEE par la France – L’Europe Économique en*

collective of economic ‘dirigistes’, who tried to create something akin to economic planning in the European Economic Community (EEC) during the early 1960s. This suggests that the common market made room for more interventionist policies. Indeed, largely inspired by the tools of French ‘indicative planning’, economic programming was generally presented as the production of guidelines concerning the objectives and the desirable means of economic development in the community. These guidelines were to define a ‘scientific’ economic policy. And yet this attempt at planning the common market remained largely unsuccessful. In the longer run it was not only ineffective but also completely forgotten.

This article explores the origins, implementation and fate of this project. It adds to the existing literature in two main respects. First, it explores the reasons for the failure of economic programming. In contrast with existing works, which generally emphasise the ideational ‘resilience’ of liberalism, the decline of Keynesian ideas in the 1970s and the correlative upsurge of neoliberalism reshaped in the United States, this article highlights the problems encountered early on by economic programming in the EEC. Rather than concentrating on its supposed defeat on the plane of ideas, I will argue that there are two main reasons for the failure of economic programming in the EEC: a political one, connected to the troubled context of the ‘empty chair crisis’, and a practical one, connected to the limited ability to operate a planning body in the EEC functioning according to ‘scientific’ criteria.

In so doing, the article also provides a new picture of the role of professional economists during the early years of the EEC. Much work has been done on the role of jurists working at the intersection of European politics, practice and academia in the ‘co-production’ of the EEC. But less attention has been paid to the economists involved at the time. They are sometimes said to have been rather absent during the early years of the EEC, at least before monetary integration became a pressing issue.<sup>4</sup> However, this article shows that many economists were involved in European policy making during the 1960s. They were not only mobilised because of their technical ability to help implement certain policies, they also contributed to shaping and legitimising those policies – with limited success in this case.

Hence, studying the making and failure of economic programming in the EEC tells two different, but related, stories. On the one hand, it shows how the critical political events of the mid-1960s affected both the institutional set-up and decision-making process of the EEC, but also its economic governance and policies in the longer run. On the other hand, it illustrates that the ‘superiority of economists’ should not be taken for granted in the making and legitimisation of an economic policy.<sup>5</sup> As the case of economic programming in the EEC suggests, mobilising economists is not enough in itself to ensure the success of an economic policy. Overall, the article thus provides a richer picture of the reasons why economic programming in the EEC remained a path taken no further.

To fulfil this aim, this article draws on a variety of archival materials covering the whole process of the creation and eventual failure of economic programming. It includes official archives of European integration,<sup>6</sup> including reports, draft memoranda, debates of the European Parliament and, most importantly, the archives of the committee created to implement economic programming in the EEC. It also includes texts published by the economists, politicians and civil servants who publicly discussed this policy and attempted to (de)legitimise it. These are not used as secondary literature

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*Débat de Mendès France à De Gaulle* (Paris: Comité pour l’histoire économique et financière de la France, 2011); Alexander Nützenadel, *Stunde Der Ökonomen. Wissenschaft, Politik und Expertenkultur in der Bundesrepublik* (Vandenhoeck & Ruprecht: Göttingen, 2005).

<sup>4</sup> Antoine Vauchez and Stephanie Lee Mudge, ‘Building Europe on a Weak Field: Law, Economics, and Scholarly Avatars in Transnational Politics’, *American Journal of Sociology* 118, 2 (2012), 449–92; also see Ivo Maes, ‘The Ascent of the European Commission as an Actor in the Monetary Integration Process in the 1960s’, *Scottish Journal of Political Economy*, 53, 2 (2006), 222–41. I. Maes’ work, however, mostly focuses on monetary issues.

<sup>5</sup> Marion Fourcade, Etienne Ollion and Yann Algan, ‘The Superiority of Economists’, *Journal of Economic Perspectives*, 29, 1 (2015), 89–114.

<sup>6</sup> The documents used here mostly come from the Historical Archive of European Integration in Florence, in particular from the Medium Term Economic Policy Committee files and the Pierre Uri files. Other sources include the Archive of the European Parliament in Luxemburg and the virtual archives of the CVCE (<https://www.cvce.eu>) and of the University of Pittsburgh (<http://aei.pitt.edu/>).

but instead as documents of the debates of the time. Finally, the investigation of actors' trajectories and involvement uses published autobiographies, as well as private archival sources and oral history records. This diversity of archives made it possible to retrace the origins of European economic programming and the mobilisations that shaped it in the EEC, as well as the reasons for its relative failure.

I will first sketch the origins of indicative planning. Although these ideas do not have a single national origin, I will focus here on the French context because the most vocal advocates of programming in the controversies of European integration were, at least originally, French. In a second part of the article I will examine how these ideas were used and circulated by a collective of people during the early years of European integration, in order to promote certain policies. Finally, I will discuss how they failed to build up a 'dirigiste' Europe. In conclusion, I will reflect on the extent of this failure.

### The Invention of French Indicative Planning

The origins of the EEC's political economy have been thoroughly researched. In recent times unparalleled attention has been paid to one ideology: German ordoliberalism. However, other, alternative, economic ideas were defended and discussed during the making of the treaty. In particular, another collective pleaded for a more active direction of the common market. They have been generally called 'dirigistes', in reference to their roots and influence in France.

Dirigisme has its sources in the first half of the twentieth century. As J. Schumpeter, an acute observer of the time, put it, the period marked 'the defeat of liberalism' as it had triumphed in the nineteenth century:<sup>7</sup> the liberal ideology of *laissez-faire*, until then largely dominant among economists, bureaucrats and politicians, was increasingly called into question. This was not only because of increasing interest in the other great ideology of the time – socialism. In Europe, the First World War had led to strengthening the grip of the state on the economy.<sup>8</sup> The issue was made more pressing during the interwar years by the violent economic crisis that swept across industrialised countries, underlining the impotence of existing economic instruments. The eventual spread of Keynesian ideas further strengthened the trend towards more active economic governance.<sup>9</sup>

In this context emerged a multitude of 'modern' concepts aimed at promoting a new mode of economic governance, and at redefining the role of the state. Among them, the idea of 'directing' or 'planning' the economy was extensively discussed. It was generally understood as the organisation by a public authority of the objectives and means of national economic development. However, it was not a homogeneous doctrine: the idea of directing the economy attracted left-leaning minds, as well as disenchanted liberals and conservatives eager to celebrate the failure of the liberal order.

In this nebula, the main conflict appeared between the strong, centralised planning originally called for by socialists and later implemented in communist countries, and a more liberal, indicative direction of the economy. The latter's aim was not to replace the free market with a state-run economy with mandatory economic goals set to private companies. Instead, it was to entrust a public authority with the role of indirectly guiding the market, by 'indicating' the economic goals that would best fit the pursuit of the common good, and by fostering investments in the sectors that were deemed most important for industrial development. In a nutshell, the aim was to replace the 'negative' liberty of *laissez-faire* with a more 'positive' liberty fostered by public intervention.

As several authors have pointed out,<sup>10</sup> this 'liberal dirigisme' thus had more complex relations with neoliberalism than the vocal criticism of economic planning expressed by some prominent neoliberals

<sup>7</sup> Joseph A. Schumpeter, *History of Economic Analysis* (London: Taylor & Francis, 2006), 728.

<sup>8</sup> Richard F. Kuissel, *Capitalism and State in Modern France: Renovation and Economic Management in the 20. Century* (Cambridge: Cambridge University Press, 1983); Charles S. Maier, *Recasting Bourgeois Europe: Stabilization in France, Germany and Italy in the Decade After World War I* (Princeton: Princeton University Press, 1975).

<sup>9</sup> Peter A. Hall, ed., *The Political Power of Economic Ideas* (Princeton: Princeton University Press, 1989).

<sup>10</sup> Bruno Amable, 'Dirigisme and modernism vs Ordoliberalism', in Joseph Hien and Christian Joerges, eds, *Ordoliberalism, Law and the Rule of Economics* (Oxford: Hart Publishing, 2017); François Denord, *Néo-libéralisme version française: histoire d'une idéologie politique* (Paris: Demopolis, 2007).

might suggest.<sup>11</sup> Liberal dirigiste ideas were based on the analysis, shared with neoliberals, of the crisis of capitalism. To respond to this crisis, some authors unambiguously categorised as neoliberals developed ideas closely related to indicative planning.<sup>12</sup> Hence the ‘liberal planism’ of Alexander Rüstow, a friend of the ordoliberals, or of Maurice Allais, an atypical but leading figure of French neoliberalism, who advocated a ‘synthesis of the liberal technique [competition] and the social ideals’ of socialism.<sup>13</sup>

Moreover, in France at least, the dirigiste collective bore striking sociological affinities – and indeed partly overlapped – with neoliberal collectives, where large numbers of industrialists, bureaucrats and engineers were also to be found.<sup>14</sup> Some prominent representatives of liberal dirigiste thought appear to have been connected to the neoliberal networks that began organising out of the W. Lippmann colloquium in Paris in 1938. This is for instance the case of the economist Robert Marjolin, J. Monnet’s future aide, negotiator of the Treaty of Rome and first European Commissioner for the Economy.

However, these proximities should not be misinterpreted. Liberal dirigisme did indeed support the free market; but it was by no means an apology for a minimal state – nor even of a state whose role would be limited to setting the legal framework of the market. On the contrary, it rested on the idea of the state taking an active part to the economic life through specific policy instruments.

The success of dirigiste ideas correlated with the rise of new social groups within industrial societies – not workers, but managers, experts and engineers. In a context of growing discontent with politics, and parliamentary instability, dirigistes called for a new elite to exert power. This discourse had ambiguous undertones, sometimes alluding to a conservative distrust of democracy.<sup>15</sup> But their argument was wrapped up in a specific rhetoric: political passions were opposed to scientific knowledge; particular, short-sighted electoral interests were opposed to true general interest; incompetent decision makers were opposed to qualified technicians.

Three elements were crucial to dirigiste policies: first, knowledge of economic data, which implied adequate tools to gather it;<sup>16</sup> second, the economic forecasting capacity based on the data collected, in order to set economic objectives, which implied economic models to analyse the data collected, precisely the task that the emerging econometrics was set to achieve;<sup>17</sup> and, finally, macroeconomic instruments in order to orient the market and its activity according to the analyses and forecasts made, which implied building up macroeconomic policy instruments echoing Keynesian principles.<sup>18</sup> These principles justified the new importance that professional economists progressively came to assume in public affairs.<sup>19</sup>

This growing importance was reflected, for example, in various proposals for the establishment of planning offices or economic councils, starting in the United States with the New Deal.<sup>20</sup> It was also noteworthy in France, from the interwar period to the Vichy regime and beyond.<sup>21</sup> There, the role of

<sup>11</sup> Friedrich A. Hayek, *The Road to Serfdom* (London: Institute of Economic Affairs, 2013).

<sup>12</sup> Serge Audier, *Néo-libéralisme(s): une archéologie intellectuelle* (Paris: Grasset, 2012).

<sup>13</sup> Maurice Allais, *L’Europe Unie, route de la prospérité* (Paris: Calmann-Lévy, 1960), 177. See also Henri Sterdyniak, ‘Maurice Allais, itinéraire d’un économiste français’, *Revue d’économie politique*, 121, 2 (2011), 119–53.

<sup>14</sup> Bruno Amable, ‘Dirigisme and Modernism vs Ordoliberalism’, in Joseph Hien and Christian Joerges, eds., *Ordoliberalism, Law and the Rule of Economics* (Hart Publishing (Oxford&Portland, 2017).

<sup>15</sup> Charles S. Maier, ‘Between Taylorism and Technocracy: European Ideologies and the Vision of Industrial Productivity in the 1920s’, *Journal of Contemporary History*, 5, 2 (1970), 27–61.

<sup>16</sup> Claude Alphandéry and François Fourquet, *Les Comptes de la puissance: histoire de la comptabilité nationale et du plan* (Fontenay-sous-Bois: Recherches, 1980).

<sup>17</sup> Michel Armatte, ‘A History of Econometrics in France: From Nature to Models’, *The European Journal of the History of Economic Thought* 16, 2 (2009), 384–9.

<sup>18</sup> Hall, *The Political Power of Economic Ideas*.

<sup>19</sup> Marion Fourcade, *Economists and Societies: Discipline and Profession in the United States, Britain, and France, 1890s to 1990s* (Princeton: Princeton University Press, 2009).

<sup>20</sup> Alfred W. Coats, *On the History of Economic Thought: British and American Essays*, vol. II (London: Routledge, 1993), 393.

<sup>21</sup> Antonin Cohen, ‘Du corporatisme au keynésianisme. Continuités pratiques et ruptures symboliques dans le sillage de François Perroux’, *Revue Française de Science Politique*, 56, 4 (2006), 555–92.

economists associated with dirigisme fitted in the tradition of Saint-Simonism, the philosophy of industrial organisation *par excellence*. In the same vein, dirigisme and Saint-Simonism promoted a figure of the economist characterised by technical and mathematical knowledge – the engineer-economist – who soon became intimately intertwined with the ‘technocrat’. In the 1930s, for instance, one of the key places where dirigiste ideas were debated was the group known as X-Crise, gathering young engineers, economists and industrialists concerned about the economic situation.<sup>22</sup>

After 1945, while the discourse on the necessary renewal of institutions and elites gained ground, dirigiste ideas were developed further by very different people pleading for ‘scientific’ reforms.<sup>23</sup> This justified the creation of new tools and new places to give substance to such a renovation. Created in 1946, the Commissariat au Plan led by Jean Monnet was one of the essential places of these efforts and best expressed the triumph of a vision of the active state and its social engineering function.<sup>24</sup>

### From National Planning to European Programming

What was the specific contribution of dirigiste ideas and their advocates to the shaping of the political economy of the early EEC? The role of Monnet has been abundantly documented and has even given birth to the idiosyncratic concept of ‘Monnetism’.<sup>25</sup> But he was not alone in promoting these ideas. Indeed, far from being outright rejected during the early years of European integration, they circulated widely and found many supporters. This was made possible by the brokering role of individuals connected with the dirigiste collective, who pleaded for the construction of particular economic instruments corresponding to their ideas. Central to their justification was the claim that they offered the most (and only) rational economic policy for the EEC. Hence, they especially relied on the authority of economics and professional economists to operate and legitimise them.

The beginnings of European integration were replete with dirigiste ideas and supporters. As is well known, Monnet himself had led the French Commissariat au Plan when it was created in 1946. Over the years he had surrounded himself with a team of experts – economists, lawyers, engineers – who worked with him at the commissariat. Several of them were to play an important role in early European integration: for instance, the law professor Paul Reuter, a specialist in international law consulted during the negotiations for the European Steel and Coal Community (ECSC), had been strongly impressed by the Tennessee Valley Authority, whose model he imported in European negotiations of the High Authority.<sup>26</sup> A similar case was the engineer and later successor of Monnet at the Commissariat au Plan, Etienne Hirsch, who was also to preside over Euratom.

But in this collective it is worth focusing on two actors who played a very important role in the creation of the EEC and its economic policies: the economists Pierre Uri and Robert Marjolin. Both have remarkably similar and complementary trajectories. Born the same year, in 1911, they were first trained as philosophers before turning to economics.<sup>27</sup> They both had travelled to US universities during the 1930s, which sparked their interest in economic problems. After their conversion to economics, they both – although at different periods – worked under the guidance of François

<sup>22</sup> François Denord, ‘French Neoliberalism and its Divisions From the Colloque Walter Lippmann to the Fifth Republic’, in Philip Mirowski and Dieter Plehwe, eds., *The Road from Mont Pèlerin: The Making of the Neoliberal Thought Collective* (Cambridge, MA: Harvard University Press, 2009).

<sup>23</sup> Pierre Rosanvallon, ‘The Development of Keynesianism in France’, in *The Political Power of Economic Ideas* (Princeton: Princeton University Press, 1989), 190.

<sup>24</sup> Luc-André Brunet, ‘The Creation of the Monnet Plan, 1945–1946: A Critical Re-Evaluation’, *Contemporary European History*, 27, 1 (2018), 23–41.

<sup>25</sup> Kevin Featherstone, ‘Jean Monnet and the “Democratic Deficit” in the European Union’, *JCMS: Journal of Common Market Studies*, 32, 2 (1994), 149–70.

<sup>26</sup> Antonin Cohen, ‘Le plan Schuman de Paul Reuter. Entre communauté nationale et fédération européenne’, *Revue Française de Science Politique*, 48, 5 (1998), 645–63.

<sup>27</sup> On their biographies, see Pierre Uri, *Penser pour l'action* (Paris: Odile Jacob, 1991); Robert Marjolin, *Le travail d'une vie* (Paris: Robert Laffont, 1986); Ivo Maes et Kenneth Dyson, eds., *Architects of the Euro: Intellectuals in the Making of European Monetary Union* (Oxford: Oxford University Press, 2016).

Perroux, an atypical but major economist of the time, who contributed to the development of applied economics in France. They were amongst the first French readers of Keynes, whom they both acknowledged as a major – if not unique – inspiration. During the interwar period they had been close to the left – Marjolin even briefly working for the minister of labour when the coalition of the left came to power in 1936. After the war, spent in London for Marjolin, and partly in hiding for Uri (he had Jewish origins), Marjolin became Monnet's aide at the Commissariat au Plan, where Uri joined them in 1947.

When the commissariat started to face criticism, Marjolin and Uri followed its charismatic leader and took the opportunity to pursue international careers. Indeed, as early as 1949, following the monetary crisis, attacks against French planning had become more frequent.<sup>28</sup> In this context, European and international institutions could appear as providing a good opportunity to continue the work started in France with the commissariat, but at another, more ambitious, level. In 1949 Marjolin was appointed General Secretary of the Organisation for European Economic Co-operation (OEEC), which gave him a strong taste of how international organisations operated; as for Uri, in 1952 he followed Monnet to the European Steel and Coal Community (ECSC), where he held the position of Director of the Economics Division. Finally, from 1956, they both were involved in the EEC negotiations: Marjolin as an advisor to the French minister of foreign affairs, while Uri in his capacity of director of the economics division of the ECSC, possibly directly recommended for the negotiations by J. Monnet.<sup>29</sup> Uri mostly influenced the preparation and drafting of the treaty, while Marjolin would take up leadership on the issue during the following years.

Of course, their influence was far from unmitigated. One of the most exemplary cases of the transactions between dirigisme and other economic ideologies during the negotiations of the treaty is probably to be found in the preparation of the Spaak report, the seminal work on the path to the treaty drafted in 1956 by Uri and the German Hans von der Groeben.<sup>30</sup> According to Uri himself, the choice of von der Groeben, a civil servant in the ministry of economic affairs of the liberal Ludwig Erhard, was aimed at giving a 'counterweight' to the French economist and his dirigiste tendencies.<sup>31</sup> But, albeit in a mitigated form, a dirigiste imprint can be discovered in the Spaak report.<sup>32</sup> Actually, parts of the report were copied from previous notes drafted by Uri, in which he explicitly proposed adapting the model of the ECSC – an institution much more limited in scope, but shaped by dirigiste ideas.<sup>33</sup> For instance, he consistently defended the idea that a European public authority would have to be endowed with important economic means allowing it to help underdeveloped regions because such an action 'is a fundamental necessity for the success of the common market'.<sup>34</sup>

Indeed, Uri had described the ECSC as expressing a 'new economic philosophy',<sup>35</sup> defined by a combination of free competition and targeted public intervention. To adapt it to the EEC, he advocated instruments designed to finance community based work, to support the industrialisation of the poorest regions and to offset the effects of opening the markets. For, far from automatically reducing under the effect of competition, 'the gap [between regions of unequal economic development] can increase cumulatively if the basic conditions for the development of production are not first created by public means'.<sup>36</sup> This conception favourable to public intervention would inspire the European

<sup>28</sup> Alan Milward, *The Reconstruction of Western Europe* (London: Methuen & Co. Ltd., 1984), 395.

<sup>29</sup> Maria Grazia Melchionni and Roberto Ducci, 'Entretien avec Pierre Uri', in *La genèse des Traités de Rome* (Paris : Economica, 2007), 262.

<sup>30</sup> Michel Dumoulin, 'Les Travaux du Comité Spaak (Juillet 1955–Avril 1956)', in *La Relance Européenne et Les Traités de Rome* (Bruxelles/Milan/Paris/Baden-Baden, Bruylant/Giuffrè/LGDJ/Nomos Verlag: 1989).

<sup>31</sup> Melchionni et Ducci, 'Entretien avec Pierre Uri', 272.

<sup>32</sup> Paul-Henri Spaak, 'Rapport des chefs de délégation aux ministres des Affaires étrangères', 21 Apr. 1956, 3.

<sup>33</sup> Antonin Cohen, 'Why Call It a "European Community"? Ideological Continuities and Institutional Design of Nascent European Organisations', *Contemporary European History*, 27, 2 (2018), 326–44.

<sup>34</sup> Pierre Uri, 'Document de Travail n°7 : Pleine utilisation des ressources européennes', 6 Dec. 1955, PU-53, Historical Archive of the European Union (HAEU), Florence; Compare with Spaak, 'Rapport', 36.

<sup>35</sup> Pierre Uri, 'Note de Pierre Uri pour la Haute Autorité', 29 Oct. 1955, PU-53, HAEU, Florence.

<sup>36</sup> Spaak, 'Rapport', 36. Emphasis added.

Investment Bank, which should have had an important role in the common market. Yet, it remained an instrument of rather limited powers

This was not the only achievement of dirigistes in European integration, however. During the negotiations Marjolin had suggested – with little success – creating a form of European ‘economic planning’.<sup>37</sup> It would have helped achieve the goals set by the treaty in terms of economic policy coordination (see art. 2 and 3). But the efforts of Marjolin to create European economic planning did not stop with the signature of the treaty. The commission’s first vice-president in charge of economic and financial affairs continued to push for the creation of a common economic policy in the EEC.<sup>38</sup> His proposal was fully elaborated in the memorandum on the transition to the second stage of the common market published by the European Commission in 1962. The memorandum advocated the establishment of a market based on a double foundation: the rules ensuring the proper functioning of competition, on the one hand, and an appropriate activity of the public authority, on the other. Indeed, as the president of the commission Walter Hallstein wrote in the introduction:

It is important to realise that in today’s world the economic order based on freedom cannot subsist without the permanent presence of the state in economic life. This presence of the state manifests itself in two ways: on the one hand, the state subjects to a regulatory framework all the fields of the economy, as well as all the fields that are in contact with the economy; on the other hand, the state intervenes in the form of a constant modification of the factors at stake, by the innumerable acts in which its daily action on the economic world is expressed, in a word: by practising a ‘policy’ in the proper sense of the term.<sup>39</sup>

While the ‘regulatory framework’ clearly referred to the competition policy outlined in the chapter written by von der Groeben, the German commissioner in charge of competition, the ‘proper policy’ was dealt with in the chapter written by Marjolin. It first distinguished between two types of economic action: short-term action, which corresponded to the conjunctural economic policy advocated by German representatives and others, and longer-term action. However, this distinction was drawn only to be radically challenged. Indeed, the chapter went on to state that short-term policy could only be ‘rational’ if it was part of a broader vision: the ‘usual distinction between conjunctural economic policy and long-term policy is therefore arbitrary’.<sup>40</sup> Short-term policy must in fact be subordinated to a more comprehensive approach – labelled medium-term programming.

Programming was firmly distinguished from the ‘authoritarian planning’ practised in communist states. Rather, it was modelled on French indicative planning.<sup>41</sup> Just like its French counterpart, its main aims would be to define ‘the desirable and possible course of the community’s economic activity during the period considered’, to establish a prospective evaluation of the member states fiscal situation and to evaluate ‘the likely, desirable or acceptable [sectoral] distribution’ of national incomes.<sup>42</sup> Likewise, it was to be elaborated in consultation with trade unions and employers, and approved – but, importantly, not drafted – by the European assembly. The difference between ‘planning’ and ‘programming’ thus appears as a strategic one – for ‘programming’ was perceived as a ‘weaker’ and more neutral term to advance in the community setting.<sup>43</sup>

<sup>37</sup> Gérard Bossuat, *Faire l’Europe sans défaire la France* (Brussels : Peter Lang, 2005).

<sup>38</sup> Robert Marjolin, ‘Pour une politique économique commune’, *Revue du Marché Commun*, 2, 19 (1959).

<sup>39</sup> European Commission, ‘Mémorandum de la Commission sur le programme d’action de la Communauté pendant la deuxième étape’, 24 Oct. 1962, Archive of European Integration, University of Pittsburgh (last accessed 15 July 2019 : [aei.pitt.edu](http://aei.pitt.edu), <http://aei.pitt.edu/41803/1/A5946.pdf>), 6.

<sup>40</sup> European Commission, ‘Mémorandum’, 59.

<sup>41</sup> Robert Marjolin, ‘A Plan for Europe? Speech by Mr. Robert Marjolin, Vice-President of the Commission of the European Economic Community, at the Congress of the Confederation Nationale de la Mutualite, de la Cooperation et du Credit agricoles’, 25 May 1962, Archive of European Integration, University of Pittsburgh (last accessed on 15 July 2019: <http://aei.pitt.edu/14820/>).

<sup>42</sup> European Commission, ‘Mémorandum’, 65–7.

<sup>43</sup> Pierre Massé, *Le Plan ou l’anti-Hasard* (Paris: Gallimard, 1965), 144.

Ample justification was provided for such an economic programming of the EEC.<sup>44</sup> The memorandum argued that it was a ‘necessary guide’ in order to coordinate and ‘enlighten national and community’ economic policies, and make sure they didn’t contradict each other. As such, it was an ‘indispensable [counter-cyclical] instrument for a rational distribution of the limited financial resources available to the public authorities’. Without it, it would be ‘extremely difficult to implement common policies’, such as the common agricultural policy or regional policy. Most importantly, it was not conflicting with competition policy, but, it was argued, complementing it. Therefore, ‘the commission has not only the right but also the duty to organise its various initiatives within an overall framework’.<sup>45</sup> That this would involve a relative centralisation of economic decisions at the community level was cautiously not made explicit, but logically followed from the argument.

In 1962 the project of European programming met with a favourable context. Indicative planning was in the early 1960s more than ever relevant in Europe. It is not to be overlooked that in France the Plan had been in crisis for several years. But on his return in 1958 de Gaulle famously defined it as a ‘burning obligation’ which allowed supporters of indicative planning to return to the front stage for a while. Moreover, the Fourth Plan in 1962 expressed a concern with exporting this model: it emphasised that ‘the rapid establishment of freedom of trade can create problems, if it is not accompanied by the implementation of a common policy having for real content . . . the first rudiments of a plan’.<sup>46</sup>

And, in fact, the idea of a policy inspired by indicative planning found substantial support in most other countries of the community. During the reconstruction, European states had consolidated or developed more or less refined planning mechanisms.<sup>47</sup> In the Netherlands, an Office for Economic Planning had been created by the economist Jan Tinbergen as early as 1945. In Belgium, where it had been regarded with more suspicion, an equivalent institution had been created in 1959. In Italy, too, the minister of finance – and convinced European federalist –, Ugo La Malfa, had presented to the parliament a project of economic planning in May 1962.<sup>48</sup> Indicative planning thus seemed to benefit from a favourable context for its transposition at the community level.<sup>49</sup>

However, one country strongly opposed economic planning – national and European: the Federal Republic of Germany.<sup>50</sup> There, such ideas had largely been rejected during the post-war period, as a reaction against the Nazi and communist experiments. Instead, the ruling party since 1949, the Christian Democratic Union (*Christlich Demokratische Union Deutschlands*; CDU), had adopted the ‘social market economy’ as the watchword that was to become the symbol of the ‘economic miracle’ under the minister of economic affairs, Ludwig Erhard. In this context, Erhard, himself a trained economist, was the most vocal opponent of the project of community programming.

His opposition culminated in the debate on the commission’s memorandum for the transition to the second stage, held in the European Parliament on 20 November 1962. He did not reject the commission’s memorandum as a whole. On the contrary, he emphasised that he was very satisfied with the

<sup>44</sup> European Commission, ‘Mémorandum’, 64–5.

<sup>45</sup> *Ibid.*, 10.

<sup>46</sup> Commissariat Général au Plan, *Quatrième Plan de Développement Économique et Social (1962–1965)*, (Paris: Commissariat général au Plan, 1962).

<sup>47</sup> James Foreman-Peck, ‘European Industrial Policies in the Post-War Boom: Planning the Economic Miracle’, in Christian Grabas and Alexander Nützenadel, eds, *Industrial Policy in Europe after 1945 Wealth, Power and Economic Development in the Cold War* (New York: Palgrave Macmillan, 2014), 13–47; Silvia Pochini, ‘Economic Programming in the European Community Countries (1962–1967): Elements for a Comparison’, *History of Economic Ideas*, 16, 1/2 (2008), 185–206.

<sup>48</sup> Pier Luigi Porta, ‘Europe and the Post-1945 Internationalization of Political Economy: The Case of Italy’, in A. W. B. Coats, ed., *The Development of Economics in Western Europe Since 1945* (London: Routledge, 2005), 149; Pochini, ‘Economic Programming’, 199.

<sup>49</sup> A feeling shared by those involved in this project. See ‘Entretien avec Michel Albert par Éric Bussière, Ghjiseppu Lavezzi et Émilie Willaert’ (Histoire interne de la Commission européenne 1958–1973, 2003), HAEU Florence.

<sup>50</sup> Alexander Nützenadel, ‘Die Bundesrepublik Deutschland, Frankreich und Die Debatte Über Eine Europäische Wirtschaftspolitik 1957–1965’, *Francia: Forschungen Zur Westeuropäischen Geschichte*, 2008, 71–95.



chapter on competition, that he ‘could have written [himself]’.<sup>51</sup> But economic programming was directly targeted by Erhard. He described the project as not only ‘retrograde and centralising’ but also as necessarily ineffective. In his view, indeed, medium and long-term forecasting attempts represented vain efforts to ‘capture life in numbers’.

To counter this criticism, Marjolin engaged in a wide-ranging promotion of his idea. The most visible attempt at publicly legitimising European programming took place at a conference on ‘European economic programming and national economic planning in the EEC countries’, which was organised in Rome from 30 November to 2 December 1962. The conference was chaired by the former Italian minister of Finance, Pietro Campili, while Marjolin acted as the general rapporteur.<sup>52</sup> Besides representatives of the European Commission and of member states, practitioners of national economic planning were invited, alongside representatives of the main industries and trade unions.

Moreover, an important group of professional economists – many of them econometricians or statisticians – was invited to attend the conference. Significant examples are Marcello Boldrini, president of the International Statistical Institute of Rome, Claude Gruson, founder and director of the National Institute of Statistics and Economic Studies in Paris, François Perroux, who founded and directed the Institute of Applied Economics, and Jan Tinbergen, first director of economic planning in the Netherlands. The attempt to enrol part of the economic profession was not fortuitous: the advocates of programming sought to present it as a scientific policy, and, thereby, as legitimate and even necessary. To this aim, they clearly drew a line between rational programming and ‘ideological’, politicised and unscientific economics – such as that advocated by Erhard.

Marjolin, himself in an intermediate position between economics and European politics, gave the clearest expression of the criterion of rationality which was put forward. His main point was that economic programming was not ‘ideological’. On the contrary, he defined it as a purely technical instrument, ‘introduc[ing] a desirable element of rationality’ in the market.<sup>53</sup> So doing, he opposed, without naming them, the ‘dogmatic’ conceptions of the German liberals. Their position, according to Marjolin, was all the more inadequate as, even in West Germany and in spite of the principles which were affirmed there, planning existed. Therefore, the opposition was purely ideological, i.e. irrational. This would have to be replaced by a depoliticised approach, based on sound statistical data and robust mathematical projections. He insisted that ‘the problem of programming is not a matter of economic theories or political ideologies, it is a technical issue’.<sup>54</sup>

The affirmation of this rational, technical and non-ideological, character of programming was widely accepted by most participants. This was not only a rhetorical claim. After the conference, programmers kept on striving to formalise economic programming on a European scale. In 1965 another symposium on ‘econometric models for programming’ was organised at the Florence School of Statistics.<sup>55</sup> The continuity was clear with the conference in Rome: for instance, the patronage committee of the conference unsurprisingly included Marjolin. The event brought together nearly 180 economists, practitioners and academics, who exchanged around the econometric models they used in planning activities. Discussions revolved primarily around national models; but, as the head of the Economic Structures Division of the EEC, a subordinate of Marjolin, Roland Tavitian, made clear, the commission hoped the conference to bring ‘more clarity to the slow and laborious development of a coordinated economic policy at European level’.<sup>56</sup>

<sup>51</sup> European Parliament, *Compte-rendu intégral des débats au Parlement Européen*, 20 Nov. 1962 (Brussels: Office des publications officielles des Communautés européennes), 51–6.

<sup>52</sup> Consiglio Nazionale dell’Economia e del Lavoro (CNEL), *La programmation économique européenne et la programmation économique nationale dans les pays de la CEE* (Rome: Vallecchi, 1962).

<sup>53</sup> *Ibid.*, 41.

<sup>54</sup> Cited in Warlouzet, *Le Choix de La CEE Par La France*, 348.

<sup>55</sup> Giuseppe Parenti, ed., *Modelli Econometrici per La Programmazione* (Firenze: Scuola di statistica dell’università Firenze, 1965).

<sup>56</sup> *Ibid.*, 389–90.

Similar arguments were repeated, refined and disseminated on numerous occasions during the following months. Etienne Hirsch, former Commissaire au Plan and President of Euratom, published an article on the application of the French Plan to the European Community in the second issue of the *Journal of Common Market Studies*.<sup>57</sup> In the following issue of the same journal, Monnet himself advocated the European transposition of the plan.<sup>58</sup> Uri, who remained an advisor to Marjolin and an expert involved in the preliminary work of the commission,<sup>59</sup> was particularly active in the promotion of planist ideas. For instance, in April 1963 he took part in the VI International Congress of the Collective Economy, in Rome.<sup>60</sup>

There he delivered a vibrant defence of European programming, distinguished from a simple coordination of national plans. He described programming as a ‘new synthesis’ between liberalism and public intervention. He stressed that it would be democratic if, as in France, it was drafted with the social partners, and approved by an elected assembly. In a context of debate about the increase of powers of the self-defined European Parliament – an idea reluctantly accepted by Marjolin only in 1965, and one of the bones of contention in the ‘empty chair crisis’<sup>61</sup> – this suggested that programming did not in itself directly imply a strengthening of the supranational assembly. In fact, it would rest in the hands of an expert committee, in charge of the technical analysis of the economic situation, and of another committee, in charge of proposing appropriate action.

When the proposal was eventually debated in the European Parliament, in January 1964, it was in terms strikingly similar to that used by Marjolin that the German MEP and rapporteur of the Committee on Economic and Financial Affairs, Hans Dichgans, although a member of the CDU, supported the project. Observing the failure of pure liberalism in the nineteenth century, he stressed the need for an organised intervention of public authority in the economy.<sup>62</sup> He presented planning as ‘a technical means of economic management and not the acceptance of a certain way of conceiving the state. It is . . . a neutral method, I would even say similar to the statistics currently applied by all economic policy systems.’ The report was, of course, warmly welcomed by Marjolin, who once again stressed that programming was neither dirigiste, nor liberal: it was beyond the ‘ideological’ divide, a purely scientific activity.

Hence, in spite of challenges raised by other economists, of ordoliberal persuasion in particular,<sup>63</sup> the claim that programming was the most rational, ‘scientific’, economic policy largely succeeded. It had the convenient effect of depoliticising the debate, and to present programming as a purely technical matter.

### The Imperfect Legitimation of European Programming

At first the mobilisation of programmers seemed to be a success: the first programme was presented by the commission to the council in April 1966 and published in the official journal of the EEC in April 1967. Yet, it was largely regarded as a failure.<sup>64</sup> Hardly followed in practice, it was quickly forgotten. This seemingly paradoxical situation, I argue, is connected to the unfortunate coincidence with the ‘empty chair crisis’ and the reluctance of member states to delegate their economic policy. But the

<sup>57</sup> Etienne Hirsch, ‘French Planning and Its European Application’, *Journal of Common Market Studies*, 1, 2 (1962), 117–27.

<sup>58</sup> Jean Monnet, ‘A Ferment of Change’, *Journal of Common Market Studies*, 1, 3 (1963), 203–11.

<sup>59</sup> See ‘Les Perspectives de Développement Économique dans la CEE de 1960 à 1970 – Aspects Structurels’ (1962) BAC-062/1980\_0007, HAEU Florence.

<sup>60</sup> Pierre Uri, ‘La Planification entre les Nations pour Construire l’Europe, VIème Congrès International de l’économie Collective, Rome, 8–10 Avril 1963’, PU-201, HAEU Florence.

<sup>61</sup> Philip Bajon, ‘The European Commissioners and the Empty Chair Crisis of 1965–66’, *Journal of European Integration History*, 15, 2 (2009), 105–24.

<sup>62</sup> European Parliament, *Compte-rendu intégral des débats au Parlement Européen*, 21 Jan. 1964 (Brussels: Office des publications officielles des Communautés européennes, 1964), 25–6.

<sup>63</sup> For example, Alfred Plitzko, *Planung ohne Planwirtschaft: Frankfurter Gespräch der List Gesellschaft* (Basel: Kyklos-Verl., 1964); *Langfristige Programmierung innerhalb der Marktwirtschaft* (Berlin: Duncker & Humblot, 1963).

<sup>64</sup> Eric Bussière, ‘Les tentatives d’une politique économique et monétaire’, 413.

initial failure of the programme was also connected to the incapacity of European programmers to legitimise their endeavour as 'scientific' economic policy making. While, in line with the dirigiste ideal of social engineering, professional economists contributed to drafting it, the preparation of the first programme fell far short of their own claims of scientificity. This weakness in turn undermined the legitimacy claimed by Marjolin for his project.

On 10 July 1963 Marjolin submitted to the commission a draft recommendation to the council for the establishment of a Medium-Term Economic Policy Committee (MTEC)<sup>65</sup> – the institution of community programming. The presentation was cautious. He repeated that economic programming was needed to 'rationalise interventions', i.e. to prevent them from disrupting market forces more than necessary and to make sure that they would not contradict each other. Indeed, 'one may ask why what is useful for short-term policy would not be useful for medium-term policy'. The purpose of the committee would be to prepare a draft medium-term plan, based on the analysis of the economic situation and perspectives provided by a group of experts. This would make it possible to define the 'guidelines' of the economic policy to be followed for a five-year period, to monitor the policies actually pursued by the member states and to deliver opinions on the economic situation and the measures to be taken.

The draft was slightly amended by the commission, so that the proposal transmitted to the council stressed, for example, more strongly that there would be nothing binding in the programme. In this softened version, the council adopted the project in April 1964, despite the reluctance of the Germans. The committee held its first meeting in December 1964. Its secretariat was given to Bernard Molitor, Head of division at Marjolin's Directorate General, and it was chaired by Wolfram Langer, Secretary of State at the German Ministry of Economic Affairs – a sign of goodwill to the Germans.<sup>66</sup> It also included, among others, Pierre Massé, the French Commissaire au Plan – later replaced by François-Xavier Ortoli, his successor. Members of the commission were Marjolin and Lionello Levi-Sandri, the Italian commissioner in charge of social affairs – or, depending on the session, H. von der Groeben, the German commissioner in charge of competition policy.

Moreover, on the creation of the committee, eighteen 'particularly qualified' experts were placed under the direction of the Belgian A. Kervyn de Lettenhove to carry out most of the technical work leading to the drafting of the first programme.<sup>67</sup> They collected, compiled and analysed statistics on which the committee based its recommendations. But, as had been advised, it also early on consulted trade and employers' unions that had requested to be involved in the process. These included the Union of Industrial and Employers' Confederations of Europe, which supported better coordination of economic policies, but warned that it should not mean increased public interventions, and the European Trade Union Confederation, which expressed a strong wish to be closely associated to the work of the committee.<sup>68</sup>

As for the outcome of this work, the programme submitted in 1966, it was clearly shaped by the French model. The programme had roughly the same structure as the third French plan (1958–61).<sup>69</sup> It first stated the overall objectives of the medium-term economic policy of the EEC, that is 'to create optimal conditions for continuous and harmonious growth, thus ensuring both a high level of employment and internal and external stability'.<sup>70</sup> It insisted, in order to achieve these goals, on the need to tightly combine public and private means, public intervention and market competition. On the basis

<sup>65</sup> Robert Marjolin, 'Politique économique à moyen terme de la Communauté', 10 Jul. 1963, BAC-003/1978\_1067 – Vol. 1., HAEU, Florence.

<sup>66</sup> 'Conjoncture économique de la CEE et d'Euratom: composition, règlements, réunions du CPEMT. Vol.1.', BAC-118/1986\_1875, HAEU, Florence.

<sup>67</sup> European Commission, 'Premier programme de politique économique à moyen terme – 1966–1970' (Brussels: Office des publications officielles des Communautés européennes, 1967).

<sup>68</sup> 'Prises de position sur la politique économique à moyen terme', CM2/1964-438, HAEU Florence.

<sup>69</sup> Cited from the Commissariat Général au Plan, 'Troisième Plan de Modernisation et d'équipement (1958–1961)' (Paris: 1959).

<sup>70</sup> European Commission, 'Projet de programme de politique économique à moyen-terme', 13.

of the experts' work, the second chapter reviewed the prospects of the community up to 1970, providing general and sectoral statistics. It then went on to define general orientations regarding both supply and demand, and, in the final chapters, considered in more details several areas (employment, public finances, regional policy) – even though Marjolin firmly denied any ambition to offer detailed 'sectoral programmes'.<sup>71</sup> But, in spite of these similar presentations, the authors acknowledged that the programme was much less detailed than a national plan. As we will see, they also pointed out that it was, in many regards, much less satisfying.

When the programme was formally adopted, in April 1967, its most consistent opponent, Chancellor Erhard, had been replaced by Kurt Georg Kiesinger, who had formed a coalition government with the Social Democratic Party (*Sozialdemokratische Partei Deutschlands*; SPD). He appointed as minister of economic affairs another professor of economics, Karl Schiller. A member of the SPD favouring an economic 'synthesis' between competition and public intervention, Schiller was much more sympathetic to the idea of programming – and indeed proposed something akin to it in Germany, the 'global steering' (*Globalsteuerung*) of the economy.<sup>72</sup> And yet, the programme never became the European equivalent of the French plan that Marjolin had expected. Rather to the contrary, governments remained suspicious of community attempts at influencing their economic policies. Moreover, instead of improving, in the longer run, it evolved towards something 'weaker' than a plan indeed – before disappearing unnoticed.

A first reason for the failure of the programme was undoubtedly the institutional context. It coincided with the 'empty chair crisis', the most serious crisis that had hit the community at the time. On the one hand, in spite of its technical nature, the work of the committee – as that of the other institutions – had been significantly impaired by the absence of French representatives.<sup>73</sup> On the other hand, the consequences of the crisis itself were most serious for the committee. On a personal level, Marjolin, who had endorsed, albeit reluctantly, the proposals of Hallstein, had triggered the anger of the French President. After the crisis, the most fervent advocate of European programming was targeted by de Gaulle, and was to leave the commission in 1967.<sup>74</sup> He was thus unable to push for the enforcement of the programme.

More generally, as Piers Ludlow has argued, the crisis had shifted the debate from the question of what the EEC should do (its policies) to how it operated (its institutions).<sup>75</sup> In this regard, the Luxemburg compromise, rather than a major change, 'essentially reaffirmed the existing state of affairs'<sup>76</sup> – a pragmatic solution underpinned by the remarkable economic successes achieved during the first years of the EEC. On the contrary, taking the committee and its programme seriously would have involved further centralisation of economic policy supervision at the EEC level. This was a highly salient sovereignty issue – much more than the contemporary, but discrete, case law of the then largely ignored Court of Justice<sup>77</sup> – possibly touching on the 'very important [national] interests' mentioned in the Luxemburg compromise. Therefore, while planist policies found support at the national level, the timing was poor to transfer them to an institution at the European level.

A second, internal, explanation for the failure of the programme is to be found in the work of the committee itself. For the archives reveal another problem that had appeared in the process of drafting

<sup>71</sup> European Parliament, *Compte-rendu intégral des débats au Parlement Européen*, 21 Jan. 1964 (Brussels: Office des publications officielles des Communautés européennes, 1964), 39.

<sup>72</sup> Nützenadel, *Stunde Der Ökonomen*, 239sq.

<sup>73</sup> 'Réunion du 09/12/65', *Conjoncture économique de la CEE et d'Euratom*. Vol.1., BAC-118/1986\_1875, HAEU Florence.

<sup>74</sup> Bajon, 'The European Commissioners and the Empty Chair Crisis of 1965–66'.

<sup>75</sup> N. Piers Ludlow, *The European Community and the Crises of the 1960s: Negotiating the Gaullist Challenge* (London: Routledge, 2006), 71.

<sup>76</sup> Ludlow, *The European Community and the Crises*, 121 and more generally 118–32. For a discussion of the consequences of the compromise, see Fiona Heyes-Renshaw and Helen Wallace, 'Changing the Course of European Integration – or Not?', in Jean-Marie Palayret, Helen Wallace, and Pascaline Winand, eds., *Visions, Votes and Vetoes* (Brussels: Peter Lang, 2006), 301–20. See also Wilfried Loth, ed., *Crises and Compromises: The European Project 1963–1969* (Baden-Baden: Nomos-Verl.-Ges., 2001).

<sup>77</sup> Antoine Vauchez, *Brokering Europe: Euro-Lawyers and the Making of a Transnational Polity* (Cambridge: Cambridge University Press, 2015).

the programme. The committee was quickly confronted to the limits of the adaptation of policy instruments inspired from national planning at the community level: the community did not have the resources of states, and was thus unable to produce the reliable economic data necessary to the operating of economic programming.<sup>78</sup> From its first meetings, the committee identified these difficulties. An interim report submitted by experts in April 1965 highlighted the statistical problems encountered in their work and regretted that ‘considerable progress still needs to be made’.<sup>79</sup>

Given the magnitude of the problems, it was decided to ask the Statistical Office of the Communities to develop its work in this direction. Moreover, during a meeting in June 1965 a draft letter on the problem of statistics to the president of the commission was discussed by the committee.<sup>80</sup> But delays had started to accumulate because of the technical difficulties that prevented the experts from developing meaningful forecasts.<sup>81</sup>

These practical difficulties forced programmers to present their conclusions with extreme caution. The first programme stressed in its introduction that

[The committee] was able to measure . . . during the development of this programme, how important it was for the design of a medium-term economic policy to have sufficient and comparable statistical information for the various member states. . . . Therefore, the member states and the institutions of the community should intensify their efforts already undertaken to improve the statistical knowledge of economic facts.<sup>82</sup>

Taking note of these reservations, the commission in turn underlined them in the document accompanying the draft sent to the council.<sup>83</sup> While it highlighted the merits of the programme, it also emphasised its ‘shortcomings’ and the difficulties faced by the committee. Similarly, while the President of the Committee on the Economy and Finance of the European Parliament, the German Ilse Elsner (SPD), endorsed the programme, she conceded that ‘this first attempt has revealed another handicap . . . : neither our statistics nor our methods of analysis are sufficient to identify and evaluate many economic phenomena.’<sup>84</sup> When he resigned as head of the committee in 1967, Langer could only recall the efforts still to be made in this matter.<sup>85</sup>

This insistence on its methodological limits weakened the legitimacy of the programme: after having studied the draft submitted by the committee, the commission adopted most of it – but claimed the right to authoritatively rectify certain points ‘underestimated’ by the report.<sup>86</sup> Likewise, when the project was discussed by the ministers of Economic Affairs of the member states, they indicated in December 1966 their wish to ‘put the work back on the job’ by having it studied, not by experts, but by their permanent representatives.<sup>87</sup> The German minister, Schiller, directly called for the programme to adopt more optimistic forecasts for West Germany.<sup>88</sup> Thus, despite all their efforts to assert

<sup>78</sup> See Ulf Sverdrup, ‘Administering Information: Eurostat and Statistical Integration’, in Morten Egeberg, ed, *Multilevel Union Administration* (London: Palgrave Macmillan, 2006), 103–23.

<sup>79</sup> Medium-Term Economic Policy Committee, ‘Quatrième réunion du CPEMT’, 27 Apr. 1965, BAC-118/1986\_1875, HAEU, Florence.

<sup>80</sup> ‘Réunion du CPEMT’, 25 June 1965, BAC-118/1986\_1875, HAEU, Florence.

<sup>81</sup> ‘Réunion du CPEMT’, 9 Dec. 1965, BAC-118/1986\_1875, HAEU, Florence.

<sup>82</sup> European Commission, ‘Premier programme de politique économique à moyen terme’, 14.

<sup>83</sup> European Commission, ‘Projet de programme de politique économique à moyen-terme présenté par la Commission au Conseil’, 29 Apr. 1966, COM(66).

<sup>84</sup> European Parliament, *Compte-rendu intégral des débats au Parlement Européen*, 30 Nov. 1966 (Brussels: Office des publications officielles des Communautés européennes, 1966), 111.

<sup>85</sup> W. Langer, ‘Allocation de Départ de M. W. Langer,’ 20 Jan. 1967, BAC-118/1986\_1875, HAEU, Florence.

<sup>86</sup> European Commission, ‘Projet de programme de politique économique à moyen-terme’, 3–4.

<sup>87</sup> Pierre Drouin, ‘Une nouvelle phase du Marché commun’, *Le Monde*, 24 Dec. 1966.

<sup>88</sup> Paul Fabra, ‘Les ministres de l’économie cèdent la place à leurs collègues des affaires étrangères et de l’agriculture’, *Le Monde*, 22 Dec. 1966.

its ‘objective’, scientific character, programmers were unable to impose the programme. In this case, legitimisation through economics had flatly failed.

The authority of community programming was not to improve in the following years. After Marjolin left the commission, his successor was far less enthusiastic about programming. He was indeed replaced as commissioner in charge of economic and financial affairs by Raymond Barre. Appointed in part because of his loyalty to de Gaulle, he also was a professor of economics – but of a more liberal leaning.<sup>89</sup> Indeed, in the 1950s, he had been one of the few people in France to introduce Hayek and Eucken.<sup>90</sup> But things didn’t change significantly when, in 1973, a former Commissaire au Plan (1966–7), François-Xavier Ortoli, was appointed president of the commission. The commissariat he had been working in was already far weaker and much more liberal than the institution set up by Monnet.<sup>91</sup> More generally, planist ideas started to lose their appeal in the wake of the economic turmoil of the early 1970s.

This did not mean the end of programming. Five medium-term economic programmes were drawn up until the early 1980s. But, as a glance at the third programme issued in 1973 indicates, the following programmes emphasised a flexible and rather vague coordination of economic policies, rather than the more ambitious goals defined by Marjolin.<sup>92</sup> After only a few years, in 1974, while the programme continued to be officially the guideline of community economic policy, it was merged with the Short-Term Economic Policy Committee and the Budgetary Policy Committee – confirming its limited autonomy.<sup>93</sup>

## Conclusion

During its early years the EEC was the subject of important economic debates. Marjolin and his friends pleaded, at first rather successfully, for an ‘economic programme’ inspired by the tools of French planning and conflicting with ordoliberal ideas. This was to make for a far-reaching economic governance of the EEC. Economists played an active role in these debates. They both contributed to designing policy, economic programming and to legitimising programming when it was challenged by its opponents. But, contrary to what could have been expected in the context of the time, it never became what its advocates had hoped.

Their failure did not result from an incompatibility of economic programming with the Treaty of Rome. Nor did it reflect a defeat on the plane of economic ideas: to the contrary, they found many supporters. Instead, the very limited success of economic programming in the EEC at the time can be explained by the political and practical difficulties encountered by programmers. Politically, in the troubled context of the ‘empty chair crisis’, the project of strengthening EEC powers associated with the Hallstein Commission, and programming was increasingly put aside. Practically, the strategy of legitimisation through economics and economists was to prove inefficient. This was not only the case because of controversies between economists but also because of their inability to adapt national planning tools to the limited resources of the EEC.

Their failure was not complete, though. On the one hand, it should be noted that during these early debates, the institutionalisation of economic expertise within the European institutions began.<sup>94</sup> For,

<sup>89</sup> However, he was not entirely hostile to some kind of planification. ‘Entretien Avec Raymond Barre par Marie-Thérèse Bitsch, Éric Bussière et Ghjiseppu Lavezzi’ (Histoire interne de la Commission européenne 1958–1973, 2004), HAEU Florence.

<sup>90</sup> Hugo Canihac, ‘Walter Eucken in Paris? The Introduction of German Ordoliberalism into French Economic Debates (1945–65)’, *Revue Européenne Des Sciences Sociales*, 55, 2 (2017), 237–63.

<sup>91</sup> Brigitte Gaiti, ‘L’érosion discrète de l’État-providence dans la France des années 1960: Retour sur les temporalités d’un “tournant néo-libéral”’, *Actes de la recherche en sciences sociales*, 201–2, 1 (2014), 58–71.

<sup>92</sup> Caldari, ‘From “Planning” to “Programming”’; Maes, ‘The Ascent of the European Commission as an Actor in the Monetary Integration Process in the 1960s’.

<sup>93</sup> *Official Journal L 063*, 05/03/1974, 74/122/EEC, Council Decision of 18 Feb. 1974 setting up an Economic Policy Committee.

<sup>94</sup> Maes, ‘The Ascent of the European Commission as an Actor in the Monetary Integration Process in the 1960s’.

as the efforts to involve economists had shown, the inability of the European Commission to provide for its own, reliable, economic expertise was a major weakness. On the other hand, this programming 'moment' of the EEC would open the path to other initiatives. In particular, it would find echoes in the idea of a European industrial policy aimed at encouraging the emergence of European 'champions'.<sup>95</sup>

Indeed, several civil servants and experts involved in the programming experience were later keen on pleading for a strong industrial policy. This was, for instance, the case of Robert Toulemon, a former Head of Cabinet of Marjolin in 1962–3, who was appointed General Director for Industrial Affairs in 1968. Likewise, Michel Albert, who had worked at DGII from 1966 to 1969, as well as for the Commissariat au Plan, was a most vocal proponent of European industrial policy in the 1980s. Finally, Jacques Delors, himself a former civil servant of the French Commissariat, was actively involved in the promotion of an EEC industrial policy from the early 1980s. Industrial policy could thus draw upon the projects of European economic programming elaborated in the early 1960s.

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<sup>95</sup> On these continuities see Warlouzet, *Governing Europe in a Globalizing World*; Warlouzet, 'The EEC/EU as an Evolving Compromise between French Dirigism and German Ordoliberalism (1957–1995)', *Journal of Common Market Studies*, 57, 1 (2019), 77–93.