

# Contesting Deregulation

## *The 1970s as a Turning Point in Western History? Introductory Remarks*

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### **Disputing the 1970s**

The present-day reality of ‘Western’ industrialized societies<sup>1</sup> is defined by crisis phenomena. Since the beginning of the financial crisis in 2008, ever-more political crises have been born out of this one economic crisis, above all in the southern countries of the European Union. Yet irrespective of current events and estimations of their short- or even long-term nature, many diagnoses have long painted a pessimistic picture for the Western industrialized societies. Increasing social inequality regarding the distribution of wealth and growing unemployment is exacerbating social tensions, which are combining with problems of democratic legitimation. In 2004, Colin Crouch coined the term ‘post-democracy’ with this in mind.<sup>2</sup> According to Crouch, no longer is it the citizens who come to political and economic decisions through elections and democratic negotiations, but rather these decisions are being made by experts and multinational companies, who time and again refer to the ‘market’ as playing the deciding role – with one result being the ‘commercialization of citizenship’. The sociologist Wolfgang Streeck has also presented a rather bleak interpretation of the last forty years. The ‘final crisis of capitalism’ has been held at bay by ever-newer monetary measures – initially by means of inflation during the 1970s, and then debt policy and the expansion of private credit markets, which ultimately led to the crisis in 2008. The greatest danger in

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doing this is that the new financial market capitalism no longer requires democracy and is able to exist independently.<sup>3</sup> Apparently, according to Crouch, Streeck and many others, neoliberalism now reigns triumphant with its credo being the trickle-down theory: if the wealthy achieve greater gains through tax cuts and reduced fees, then they will generate a general state of prosperity through investments and patronage. The state now only provides the required framework. Competition seems to have permeated all areas of life, including the individual's perception. The German sociologist Ulrich Bröckling, in following Michel Foucault, spoke pronouncedly of an 'entrepreneurial self' as the dominant form of subjectification.<sup>4</sup> The delusion of making individual decisions in a comparable manner to a company has permeated all areas of life. This is the subjective side of the societal changes of social regulation.

The market attempts to harness every social impulse and to turn it into a commodity; to this extent, capitalism no longer merely represents an economic structure but rather a way of life. As such it proves itself to be so flexible that it can also make use of oppositional pronouncements in their varying forms. In the 1980s, Jürgen Habermas spoke of a 'colonization' of living environments.<sup>5</sup> Even when Habermas was concerned with a normative approach, this pointed to the fact that new markets were being accessed in almost all areas of life, including those more intimate as well as family practices and even the large market of consultancy firms.<sup>6</sup>

Whether or not the subjective results of 'neoliberalism' as mentioned at the beginning are to be considered as purely negative is not yet clear. To a certain degree, the idea of denationalization also barely seems appropriate when considering the disappearance of state regulations. International political relations, for example, have become stronger and more effective since the 1970s, in comparison to national state competition. In Europe, the process of unification within the EU has not quite led to an abandonment of sovereignty, but it has however resulted in the reduction of national state regulations, and as such a decrease in inter-state dynamics of conflict.<sup>7</sup> To how great an extent the world economy, as well as the political regulation of it, has become transnational can be observed, according to Akira Iriye, in the financial crisis of 2008. This did not result in a global split or inter-state tensions, but rather in collectively conceived solutions, such as the Chinese support for the leading industrial nations affected by the crisis. The financial crisis did not annul the national regulatory authorities; they rather proved their value in a specific way. To a certain extent, a 'feeling of collective humanity' helped to marginalize post-1945 national resentments.<sup>8</sup> This transnational development is by no means complete, and the fact that inter-state conflicts are not a thing of the past can be seen presently in the Ukraine.

However, present-day political and sociological diagnoses are inscribed with a specific historical narrative. Whether explicitly formulated or taken as an unspoken basis, these analyses assume that the 1970s were a zenith of advancement both economically and in terms of the welfare state, since when we have found ourselves in a long-lasting state of decline. Hyperbolically, the former age appears as a refuge of the welfare state, or, as Eric Hobsbawm called it, 'the golden age of capitalism'.<sup>9</sup> Hence the majority of Western governments after 1945 aimed at diluting the class conflict and relieving social tensions, whereby the difference between the countries tended to be greater than between the respective political parties.<sup>10</sup> The state had a strong regulating and intervening function, and ensured the provision of basic services such as electricity, mobility and telecommunications through monopolies.<sup>11</sup>

These years were associated with an economic boom, in which rising income resulted from a growth in industrial productivity, which in turn led to consumer society becoming a mass phenomenon. The political, social and economic crises of the past, including their consequences of civil war, war and revolution from the time of the 'European Civil War', were consigned to obscurity, and the capitalistic crisis scenarios, mentioned not least by the political left, seemed to no longer apply.<sup>12</sup> Without doubt the neglect and loss of this fear distinguishes the time after 1989 from the decades before.<sup>13</sup> In this respect, history since the 1970s is also a history of neglect, only that the defining landmarks are still to be pinpointed.

The fact that many authors search for a fissure of some nature at the beginning of the 1970s is obvious at first glance, whereby we are concerned with the objective side of the historical narrative and contemporary self-perception. At first there was the initial oil crisis of 1973 and the more confident air of the Arab states. This was a crisis, which is discussed by some historians as spanning seemingly contrasting systems, due to the fact that it created the same problems in the industrialized and capitalist Western states as it did in the communist states.<sup>14</sup> Linked to this was the end of the Bretton Woods system with its exchange rates more closely tied to the gold standard, which nevertheless merely managed to alleviate the crisis of the dollar as the global reserve currency, ongoing to this day, rather than resolve it.<sup>15</sup> Then we have the bleak warnings from the Club of Rome as to the exhaustion of natural resources,<sup>16</sup> and finally the contemporaries themselves are predicting the end of the work-orientated society, as we know it, postulating entry into the 'post-industrial society', as Daniel Bell formulated it.<sup>17</sup> Indeed, such diagnoses and their terms were able to chronicle the end of an era, just as Lyotard's 'postmodernists' could, yet they were unable to characterize the burgeoning new era.<sup>18</sup>

Today it is above all the term – or rather often the buzzword – ‘neoliberalism’ with which the period since the 1970s is summed up, and the fundamental practice of which has been deregulation. This refers, first and foremost, to political decisions, the result of which has primarily been the privatization of state enterprises in Western countries since the 1980s, and with this the transferral of the provision of basic services onto the free market.<sup>19</sup> At that point in time, these policies were still associated with the political protagonists of the period, either critically with the term Thatcherism or with rather more positive connotations in the case of Reaganomics.<sup>20</sup> In this way we are able to ascertain that even the critically intended terms have themselves been assimilated into the abstracting logic of globalization. The changes since the (late) 1970s are no longer described with terms correlating to the protagonists of the age, but are instead ascribed to an anonymous process of globalization. At this juncture we do not wish to follow the discussion as to what extent globalization can be seen as a far older process of global trade relationships.<sup>21</sup> The following will be used to discuss the latest advance of globalization, which is defined among other things by improved telecommunications, quicker logistics systems and international work-related migration, with a focus not only on emigration. In this context, we also wish to deal with overcoming narrow national state horizons as a mental process.

Yet irrespective of this shift in analysis and discourse to an anonymous process, the desire for deregulation came from a nucleus, social in nature and far removed from economic interests. Critics on both the left and the right saw the state as too powerful. To loosen its grasp and to remodel it from an interventional and regulatory state into a merely controlling state seemed to enable new individual liberties. This was not a case of denationalization, but instead a concentration of state activities to support the processes of social change with an increase in the juridification of everyday life.

## Questions and Objectives of this Volume

With this collection of works and by means of several case studies, we wish to pick up on a part of this period in history since the 1970s, which can also be characterized as the triumphant advance of ‘neoliberalism’. Our interest lies in the shifted national and international modes of social regulation between the new paradigms of competition and denationalization. We ask whether and with what influence ‘neoliberal’ ideas have come to define forms of social regulation since the 1970s; and we ask whether this is related to older traditions, to which a breakthrough was only achieved at the end of the ‘*Trente Glorieuses*’ or whether these are, in fact, completely new forms of social control.<sup>22</sup>

In their examination of the discourse and practices of regulation and deregulation, the essays in this volume concern themselves with a wide contemporary historical debate as to the character of the 1970s. Can the decade be, above all, characterized by its diverse cultural shifts, which were evident in new social movements, changing values and the individualization of lifestyles, and ultimately, with the onset of economic crisis, the loss of optimism about the future?<sup>23</sup> Or does this decade, above all, mark the beginning of a new epoch, whose technical foundation lay in computer technology, which not only enabled rationalization within industrial production but also an immense acceleration in channels of communication and social regulation? What remains beyond dispute is that an economic backlash was observed following the years of the boom. The end of the Bretton Woods system altered global economic relationships. Niall Ferguson writes of a ‘shock of the global’ in relation to the 1970s, yet he also points to the fact that it was, in part, rather more a perceived crisis than a real crisis.<sup>24</sup>

Then there was the decline of certain traditional industries in the 1970s, with grave rises in unemployment accompanied by the emergence of new service industries, which not only were but remain precarious in nature. In addition, it is rightly pointed out that the European working practice of a lengthy professional life with a guaranteed pension constitutes the exception rather than the rule when adopting a global perspective.<sup>25</sup> In this way, the German contemporary historians Anselm Doering-Manteuffel and Lutz Raphael speak of a *Strukturbruch* (‘structural rupture’) or ‘discontinuation of traditional structures’, which began to become apparent in the 1970s. The industrial world of work lost its dominant character in the Western states; but it was less a beginning of deindustrialization and more a fundamental change by means of the microchip production process. Doering-Manteuffel and Raphael diagnosed a ‘digital stock market capitalism’, which replaced the industrial nature of post-war capitalism up to this point, seeing as the ‘social concept of neoliberalism’ negates ‘Keynes’ and ‘consensus’.<sup>26</sup> In doing this, many authors name 1973 as a turning point, or use the year as a fixed point, in order to reconcile these various fissures.<sup>27</sup> In contrast, other authors observe slower processes during the 1970s. Hartmut Kaelble believes it is more a matter of a ‘soft turning point’ in terms of Europe.<sup>28</sup> For Thomas Borstelmann, the 1970s – in reference to the United States – represent not simply a negative decade (or as he quotes from a Doonesbury cartoon, ‘a kidney stone of a decade’), but equally a decade of transition, in which the state withdrew and gave large chunks of social regulation over to the financial market, while at the same time new freedoms arose for minorities such as homosexuals, who had until then been excluded.<sup>29</sup>

Seen as such, the 1970s are an ambivalent decade. The end of the post-war boom and the return of mass unemployment, a growing awareness of

the finite nature of natural resources, the beginnings of a second Cold War towards the end of the decade and also the triumph of conservative politics in the United States and the United Kingdom, shroud these ten years in a dark and, where politics is concerned, conservative fog. At the same time, the 1970s could also rightly be considered a decade of the 'left'.<sup>30</sup> As a decade of economic crisis, the 1970s appears very close to us again today, yet as a time of political upheaval with a worldwide desire for democratization and participation it is rather somewhat removed.

This collection of chapters both questions and discusses these varying views of the 1970s from a variety of differing perspectives. Thematically, the focus of our collection lies with the questions of which political ideas legitimized policy making and economic developments within this decade, and what kinds of social practices were connected to this. From a contemporary historical perspective we are above all interested in the question of whether the 1970s can be understood as the beginning of long-term change, and should at the same time inquire as to the permanence and stability of social and political structures. By assigning the beginning of state deregulation to the 1970s, do we begin to understand the decade, or should we not, for the sake of differentiation, also state the existence of contradictory developments?<sup>31</sup> In doing so, we primarily focus on political discourse, which was accompanied by a market-orientated structuring of almost all areas of society – from education to public services, as well as lifestyle choices. Morten Reitmayer makes the point that the rise of neoliberalism represents not so much a new form of class warfare but rather a sense of orientating oneself within a 'politically ideal dimension', which allows for the prevalence of a worldview dogmatically arranged by market-based regulation.<sup>32</sup> The mentioning of a politically ideal dimension also means that a market-based worldview was part of a process of negotiation with other ideas and concepts, never being able to fully exert its dominance over powers of social resistance.<sup>33</sup>

If we are to observe the prehistory of the modern day from this perspective, we have no need to tell the entire history of neoliberalism, nor its theoretical arguments (a great deal of literature is available on this subject in particular);<sup>34</sup> but, with the aid of individual case studies, we would rather discern what we can of those ideas of regulation and their processes of change from local and respective in-depth regional studies in areas specific to this sector and field of politics.

## **Continuities after 1945?**

A further aspect in the rise of neoliberalism is its positioning within the late 1970s and the 1980s. The emphasis on single decades that goes along with

this can sometimes loom large here, and this seems increasingly to be the case with sociological diagnoses of the present, which tend to paint history in a rather mild light. However, are Fordian regulation and neoliberal deregulation in fact as contradictory as they seem? Do state activity and governmental action change to such a degree that the 1970s are to be understood as the beginning of a new epoch? Adopting a globalized perspective, Patrick Neveling (Chapter 1) sees the 1970s not as a decade of fracture but rather a phase of consolidation. He examines the development of special economic areas – propagated by the United Nations as a model of economic development – that have been established by underdeveloped countries and regions since the 1940s in order to offer cheap locations for production. Thus Neveling considers the resulting expansion as part of the global mobility of capital, which had first taken place prior to the 1970s. To follow Neveling, changes in industrial production in the Western industrial nations then took place in parallel to a relocation of precarious activity in other regions of the world. The capitalistic method of production, with its need for accumulation, therefore puts into perspective the fissure of the 1970s. Neveling has argued that global capitalism is coined with ‘untimely coincidences of modes of production and structural contingencies’.<sup>35</sup>

Continuity may also be positioned within specific economic cultures and mentalities, even if the results may initially appear contradictory. Alexander Ebner (Chapter 2) takes a closer look at the term ‘social market economy’, which is central to the Federal Republic of Germany. To follow on from the starting point of the ‘varieties of capitalism’ it can be considered as the defining Federal German model of a corporate form of capitalist regulation. Ebner goes into the history and the thinking behind this model, and comes to the conclusion that, despite deregulation and privatization, the fundamental elements of a social market economy continue to define economic and sociopolitical thinking in Germany. The specifically German model therefore exhibits a form of stability that was able to withstand the caesurae observed during the 1970s.

If we assume that deregulation and (neo)liberal competition are not phenomena of the 1970s, and nor do they have their beginnings there, then we must not only consider the pre-history of this decade but also its ‘post’-history. Chapter 3, by Marcus Böick, is devoted to the employees of the *Treuhandanstalt* or ‘Trust Agency’, which carried out the privatization of the state-owned companies in the former German Democratic Republic (GDR) industries after 1990. The 1990s marked an end point, at least for ideological transformations. Certainly the collapse of state socialism in Eastern Europe was without historical precedent, due to its speed and its profound political, economic and social nature, radically cutting off the industrial and economic developments of the 1960s and 1970s.<sup>36</sup> A state economy was completely

privatized. Yet Böick also shows that regulations of the welfare state were no longer even discussed by the protagonists of privatization. There was barely any political control, with the transformation of the GDR economy left exclusively in the hands of financial experts. The former GDR economists, who were taken on board in the Trust Agency, as well as the managers dispatched from West Germany were then only able to conceive of economic regeneration in the capitalist sense as shock therapy. In this situation, neoliberalism seemed to triumph economically, and it is possible that it was not until the 1990s that the neoliberal social and regulatory model reached its zenith.

The story of state deregulation since the 1970s becomes fragmented when taking into account one of the cornerstones of any state – the law. Out of a growing number of both individual and collective legal claims emerge commitments, which are to be regulated. To a great extent these were and are to be found in the field of labour law, which due to the increased participation (co-determination) lost out to state regulation. Even if employment is becoming more precarious and legal formalities are decentralized, the state still acts in a central role.<sup>37</sup> However legal rulings have increased rather than declined in the field of consumer protection, and the same is true of state-run measures to combat discrimination.

Larry Frohman (Chapter 4) refers to another issue by examining legal rulings in the field of data protection. With a view to international comparison, yet above all based on Federal German examples, he is unable to detect any deregulation in the field of legislation. The German Federal Data Protection Act of 1977, and a series of regulations expanding thereon, resulted in a wave of regulation on new media. Even when the possibilities of private internet use were not yet foreseeable, it was still deemed necessary to regulate the application of computer technology on private information, of which there was at that time already an immense amount. Federal German case law concerned itself with the protection of the individual from state access and the ‘right to informational self-determination’, which was granted by the highest German court in 1983. Frohman points out that the juridification of several areas – data protection being a shining example, as it constituted virgin territory – did not involve a withdrawal of the state but in fact its expansion. Therefore, Frohman speaks pronouncedly of a wave of regulation in the era of deregulation. In doing so, he points to the fact that with the juristic focus on individual human rights, legal regulation was actually expanded rather than reduced. Any sense of ‘denationalization’ is therefore not the case here.

Enrico Beltramini (Chapter 5) also addresses this aspect about the regulation of work relationships in the context of anti-discrimination measures. He explores the field of state regulation and examines the efforts of the

American administration in the 1960s to force an opening in the ethnically segregated worlds of work, in collaboration with protagonists of civil society. As with Frohman, this addresses an area of state regulation that does not disappear but rather increases. Ethnical diversification within the world of work has been a success over the last forty years, yet what remains unaffected by this is that human relationships cannot be administrated. Frohman and Beltramini's examples help to underline that state action since the 1970s cannot simply be understood under the umbrella of deregulation. The juridification of different parts of society, in particular the far-reaching field of liability law, has a significant effect on social conditions. In view of this, one can sum up a certain aporia of neoliberalism: while the withdrawal of the state continues to serve as a paradigm, at the same time calls remain for it to carry out a protective function, which necessitates state intervention and regulation.

### **Conceptual Transition in (State) Regulation**

If the chapters by Neveling and Ebner support the continuity argument on an economic level and relativize the fissure of the 1970s, then the contributions by Frohman and Beltramini challenge the deregulation argument. There is, however, no doubt that a conceptual shift can also be observed since the 1970s. One of the most important changes is the transition from the Keynesian to the monetarist steering models. Giovanni Bernardini (Chapter 6) shows us a contrasting picture of the 1970s as the dawn of (neo) liberal ideas of reform. He discusses the role of the German minister of finance and later federal chancellor, Helmut Schmidt. Despite the fact that Keynesian models of regulation were still represented within his social democratic party, Schmidt had a low opinion of such political approaches. He was far more eager to exchange ideas with the leading Western politicians and, with the G6 summit from 1976 onwards, he established a place for discussing problems among the leading Western industrial nations, which explicitly distanced themselves from other countries' desires of co-determination. Schmidt attempted to develop solutions, which went far beyond the model of social democracy. Just as most parties had previously, during the post-war boom, endorsed an intervening state, the move away from Keynesian regulation and towards monetarism was equally no domain of the conservative politician.

In his chapter, Bernardini traces the shifts in social paradigms with the aid of leading politicians. There is reason to believe that within capitalist regulations, monetarism was seen as an escape from the on-setting crisis/crises of the early 1970s. The social democratic politician Schmidt tended

to argue ‘unideologically’ and ‘pragmatically’. Even if the case study only adopts specific perspectives, it shows general tendencies nevertheless. During the 1970s, the amount of criticism aimed at state intervention grew within elite political circles, and this criticism spread evermore internationally. The case remains though that, as Ebner shows, specific economic cultural traditions from the respective countries remained defining elements in terms of discourse and self-perception.

The initially gradual nature of change to ideological foundations and suppositions can be witnessed in the changes within international institutions. The economic caesurae of 1973 did not immediately cross over into the world of either national or international political policy making. The next two chapters, by focusing on the European Community, show how political rationale and practices gradually shifted in the central regulatory sectors. Hannah Lierse (Chapter 7) examines a phenomenon in her historical-political narrative about the ambitions of the European Community to develop a common tax policy, the greatest stumbling block to which is that tax policy concerns a core area of the sovereignty of nation states. However, a plan conceived by the European Commission in 1975 envisaged a unitary tax policy that aimed at creating harmony and state intervention. After the plan failed, it was only in 1997 that a non-binding ‘code of conduct’ for national levels of taxation appeared, which was supposed to explicitly promote competitive taxation among the member states of the European Community. Due to the rise in taxes on consumption, in contrast to direct payments from businesses, a downward spiral of tax gains set in. Competitive taxation among the member states of the European Community – with reductions in customs barriers – thus promoted a funding gap in state finances.

In the field of educational policy, political-ideological reasoning shifted from a widespread concept of education as an opportunity for emancipation to ideas of competition. Simone Paoli (Chapter 8) addresses the issue of European attempts to coordinate education policy. In the decade of structural intervention, emancipation was still considered a positive thing, and the goal of academic and professional development was an increase in social mobility and equal opportunities. Thanks to an initiative of several delegates of the European parliament, the rationale behind European education policy was redefined in the 1980s. The focus was now on maintaining the capacity to compete with global competitors such as Japan and the United States, as well as the economic use of education. In this way, the cultural-historical supposition that a European identity among students should be strengthened by the ERASMUS student exchange programme, is, in fact more of an indirect by-product than the programme’s primary aim. The emphasis was on securing Europe’s capacity to compete.

Anna Wellner (Chapter 9) comes to similar conclusions in her examination of the shift in educational innovations. Modernization saw university education adopt new forms, yet also lose its critical and emancipatory aspirations. This should be considered paradigmatic, because deregulation mostly means that the previous forms are allocated new content. In her case studies, Wellner discusses changes in the education system, with the help of the Reform University in Bremen, Germany and the Michigan State University in Lansing, USA. The starting point for this is the criticism of curricula in the 1960s by the student movement and the project learning scheme established shortly thereafter as an emancipatory didactic form, which aimed to mediate a greater practical orientation. However, the ideas behind the inclusion of this new form of mediation in the curriculum migrated somewhat. The high expectations of the reform were not met and soon this form of mediation was being propagated as a building block for careers and economic use. Here it is evident that forms can remain yet their content may develop in a completely different direction. The results of our case studies in the educational sector correlate with the observation of Luc Boltanski and Éve Chiapallo, who present in detail the integration of criticism towards capitalism around 1968, which they term ‘artists’ critique’, within management discourse of the present day. Boltanski and Chiapallo coined the phrase ‘New Spirit of Capitalism’ as a key term for a new *modus operandi* in European business culture.<sup>38</sup>

## **Transitions in Enterprise Regulation**

Although Keynesianism lost backing within the world of politics, this did not result in the reduction of state regulation of institutions or within the sphere of economic competition. On the contrary, there are areas in which state regulation tended to play an increasing rather than decreasing role. This was particularly true in the field of risk technology, which required significant financial sums for research and testing. Nuclear technology was one such particular area, in which there was also special military and political interest. Simone Selva (Chapter 10) carries out a detailed examination of the American financial aid contributions towards the development of the Italian nuclear power industry during the time of the first oil crisis of 1973. In opposition to older theories, Selva argues that the aim of American support was to secure the economic hegemony of the United States in Europe. In doing so the US aimed, on the one hand, at securing a trade relationship in a sector that, due to the volume of investment, research and state security interests, required a high level of state regulation, while on the other hand, in addition to American efforts to secure a long-term alternative to the oil

supply, they also wanted to prevent the ascension of the Italian left wing by ensuring economic stability.

In addition to the question of risk technology, which is only one aspect, Selva also touches on international or transnational issues. Just as Lierse and Paoli point out the gradual nature of change in supranational institutions, this type of timescale can also be found at the level of multinational business. International relationships between countries require corresponding regulation and contractual safeguards, not only in spite of but also directly because of globalization. This should provide for the juridification of economic developments and their tailoring to distinctive national characteristics. Multinational companies have served as negative symbols of globalization since the 1960s, the regulation of which Francesco Petrini looks at in Chapter 11. In particular, it was international trade union federations that attempted to bring such a form of regulation onto the agenda in order to manage the exchange between employees and companies' boards of directors. However, a 'code of conduct', as such, for multinational companies did not result from these declarations of intent, even if the UN, the OECD and the European Community had discussed the question intensely. The international organizations had too little power to enforce such a thing, and even the trade unions were unable to create universally binding regulations for the exchange within international companies.

The economic challenges and highly volatile markets led to changes in regulation at a company level, within the periods that are of interest to us. From the 1960s onwards one could observe the transition of business patriarchs to managers within the executive echelons of business. In larger and also globally operating business, the steering model also changed. Instead of a hierarchical structure, functional organization became more widespread, with executive management requiring more and more external expertise. This led, for example, to the rise of business consultants, who became important service providers for companies. Christian Marx (Chapter 12) addresses the topic of transnational cooperation of businesses. The two producers of synthetic fibres, Vereinigte Glanzstoff-Fabriken AG (VGF) in Germany and the Dutch company Algemene Kunstzijde Unie (AKU), planned to merge their companies at the end of the 1960s. Marx is interested in the influence of the corporate advisor, McKinsey. In 1969, the assertive management rejected his recommendation for the restructuring of the company from a functional to a departmentalized structure, with more decentralized responsibility. In the face of the enduring sales crisis in the chemical industry, McKinsey's suggestions were extensively implemented in 1975. This no longer only affected the structure of the company but also altered its general approach. The market orientation of companies involved an increase in the role of external advisors and comprehensive market analysis. The exogenous

'shock of the global' worked more as a catalyst and less as a fissure regarding the transformations in management methods.

The rapidly growing finance sector was one reason for the transformation of the economic elite's steering models. In this collection of works we discuss this point with the aid of the social economy in the UK. It was only at the end of the 1980s that the housing market here was extensively privatized; yet as early as the 1970s, due to technological innovations, political-ideological changes also began to show in the cooperative building societies.

Matthew Hollow (Chapter 13) conducts an examination of the largest building society in Britain – the Halifax. The 1980s was the decade in which it became integrated into the financial sector and gave up its special status as a common interest company, ultimately floating on the stock market in 1997. Hollow examines the organizational changes and the management culture of the 1970s. In addition to an immense expansion in construction activity with new organizational structures, changes were also apparent in the recruitment sector, with the hiring of external professionals and the systemization of careers in management. The newly implemented computer technology also enabled more rapid reactions to financial transactions. The changes of the 1980s had their roots in the decade before, however the global crisis played a more minor role in the lead up to this.

## **Conclusions – Unity of the Post-war Period**

In-depth studies with the aid of certain examples do not tell the big story, yet they are necessary in order to understand and arrange the processes and courses of events. In the case of this study, it is also apparent that the 1970s cannot solely be understood as a decade of transition. Varying lines of development are evident, which suggest the assumption of a very drawn-out process of change, of varying distributions of power and varying national directions. The European Budgetary Treaty of 1975 was still conceived in the spirit of the intervening state, while members of the governing parties were already thinking beyond Keynesianism. Equally, the onset of privatization was not in the 1980s; it emerged far earlier as a central vision of affected businesses, such as the Halifax. Then in 1990, during the transformation of the GDR economy, the suggestion of any state-led regulatory intervention had vanished from the horizon. This and the other individual studies force us to look for the many small signposts of change. They also challenge the view of each decade being a defined period, which dominates the study of contemporary history. The studies found here do not endorse a view of either short or long decades. Our argumentation is far more that at least the 1970s and 1980s be examined as one unified period of time, which has, above all,

the global political shifts of 1989–91 to thank for its conclusion. Taking into account Patrick Neveling's globalized perspective, it is equally valid to argue that the post-war period since 1945 be considered in its entirety. Whatever conclusions further research might arrive at, and whatever reflections we might have with the aid of increased temporal distance to the 1970s, at least it is already clear that the move to neoliberalism was not eruptive in nature. Yet many questions remain unanswered in the study of international relations and national policy. *Contesting Deregulation* should contribute to answering some of these.

Within this collection of works we aim to argue for differentiation with regards to content and of expanded periodization. Therefore it is of no great surprise, but must be highlighted nonetheless, that, in the debate surrounding neoliberalism, there must be greater differentiation between the varying areas of society. Many core areas of capitalism remain highly regulated, whereas such areas that have been expanded in the previous decades in the name of social progress – and have drawn criticism since at least the 1980s (labour protection and affirmative action, data protection and liability law) – are still controlled and regulated by the state. That, which is now appearing to the individual as the phenomena of unsafe big data, is still awaiting regulation. It is a highly disputed topic, and economic and political (security) concerns undoubtedly collide with privacy rights of the individual; yet the fact that regulation is indispensable remains undisputed. At the same time, one can observe the continual decrease in business taxes since the 1980s, and other measures aimed at relieving the transfer of capital to the advantage of capital assets. Even the sale of state ownership (privatization) was pushed in the hope that the free market would benefit from competition; it is also beyond doubt that the economization of several areas of life, as well as the raised expectations of efficiency in organizing our individual lives, are both visible developments.

These forms of deregulation are, however, by no means a trend that has infiltrated, bit by bit, all areas of society since the 1970s, in the way a wave symmetrically expands from its point of eminence. This collection of works discusses accordingly the contradictory movements and the forever-contentious implementation of purely market-based structures. In terms of criticism of the societal disavowal, which has generated a new sense of economic liberalism for several decades now, we assert that the liberalization and globalization of world trade and politics has been organized to a high degree; liberalization had and has to be implemented by a state policy of deregulation. The debate surrounding the transatlantic trade and investment partnership (TTIP) is the latest example of this. The organization of policy on a nation-state level has admittedly suffered restrictions; however we cannot yet speak of denationalization. The state continues to regulate the general

parameters and succumbs to political demands, even if intermediary institutions and bodies such as the EU are playing a growing role. Even Brexit marked a potential disturbance of this trend.

Secondly, in this collection of works we argue against decadism, so widespread in the field of contemporary history, and call for the consideration of longer periods of change. The chapters show that case studies on individual subjects and aspects enable a deeper understanding of our history. It is not the ‘shock of the global’ alone that governed trade; and nor can we assume that a deep caesura or even a fissure in the 1970s constituted a worldwide phenomenon. It is far more the case that one can observe a drawn-out process, in which social regulation changed. Although this did not pave the way for denationalization, the state still determined the regulatory framework and drew upon approval of its regulation and means of conflict management. In addition to necessary examinations of the changes within the context of the large crises of the 1970s, we call for the second post-war period of the previous century to be considered as a unitary period. This began in 1945 and ended abruptly with the global political collapse of the socialist states in 1989–91. Obviously the system collapse sped up the trends of liberalization and deregulation, which became prevalent in the post-war periods. If our assumptions are correct, it was only after the political caesura of 1989–91 (for the West a completely ‘exogenous’ crisis) that the 1970s were, in fact, considered a decade of rapid development, because slow developments had been sped up by the caesura.

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1980er Jahre, Göttingen 2016; 'Apartheid und Anti-Apartheid: Südafrika und Westeuropa' [Apartheid and Anti-Apartheid: South Africa and Western Europe], edited with Detlef Siegfried, *Zeithistorische Forschungen* [Studies in Contemporary History] Issue 2 (2016); and *A European Youth Revolt: European Perspectives on Youth Protest and Social Movements in the 1980s*, edited with Bart van der Steen, Basingstoke 2016.

## Notes

1. By this we mean the West European and North American societies. We are aware of the problems of the implied bias, yet we tie this in with the social and contemporary historical debates about the 1970s.

2. Colin Crouch, *Post-democracy* (Cambridge, 2004).

3. Wolfgang Streeck, *Buying Time: The Postponed Crisis of Democratic Capitalism* (London and New York, 2014).

4. Ulrich Bröckling, *Das unternehmerische Selbst: Soziologie einer Subjektivierungsform* (Frankfurt am Main, 2007). See also Ulrich Bröckling, 'Gendering the Enterprising Self: Subjectification Programs and Gender Differences in Guides to Success', in *Distinktion: Scandinavian Journal for Social Theory* 6(2) (2005), 7–25; Jonathan Crary, *24/7: Late Capitalism and the Ends of Sleep* (London and New York, 2014).

5. Jürgen Habermas, *Theorie des kommunikativen Handelns*, 2 vol. (Frankfurt am Main, 1981; engl. 1984/1987).

6. Richard Sennett, *The Corrosion of Character: The Personal Consequences of Work in the New Capitalism* (New York, 1998).

7. See most recently on European unification: Wilfried Loth, *Building Europe: A History of European Unification* (Berlin and Boston, MA, 2015).

8. Akira Iriye, 'Die Entstehung einer transnationalen Welt', in *Geschichte der Welt: 1945 bis heute – die globalisierte Welt*, ed. Akira Iriye and Jürgen Osterhammel (Munich, 2013), 813f.

9. Eric Hobsbawm, *The Age of Extremes: The Short Twentieth Century, 1914–1991* (New York, 1994).

10. See in particular the political-economical approach to 'the varieties of capitalism', which distinguishes between the liberal and coordinated market economy. Peter A. Hall and David Soskice, *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage* (Oxford, 2001); for a criticism of this model as being too static, see Wolfgang Streeck and Kathleen Thelen, *Beyond Continuity: Institutional Change in Advanced Political Economies* (Oxford, 2005).

11. An instructive volume about legal regulation of economy from the nineteenth century until today: Günther Schulz, Mathias Schmoeckel and William Hausmann (eds), *Regulation between Legal Norms and Economic Reality. Intentions, Effects, and Adaptation: The German and American Experiences* (Tübingen, 2014).

12. Here we share the position with Traverso, to have the European Civil War beginning in 1914, and not, as the German historian Nolte (to whom the term is accredited) suggests, beginning with the October Revolution of 1917. Enzo Traverso, *À Feu et à sang: De la guerre civile européenne, 1914–1945* (Paris, 2007); Ernst Nolte, *Der europäische Bürgerkrieg 1917–1945: Nationalsozialismus und Bolschewismus* (Frankfurt am Main, 1987).

13. See Tony Judt, 'Introduction: The World We Have Lost', in Tony Judt, *Reappraisals: Reflections on the Forgotten Twentieth Century* (London, 2008), 1–22.

14. See Ivan T. Berend, *From the Soviet Bloc to the European Union: The Economic and Social Transformation of Central and Eastern Europe since 1973* (Cambridge, 2009). The oil crisis comes increasing into focus from the field of historical science; see Frank Bösch and Rüdiger Graf (eds), *The Energy Crises of the 1970s: Anticipations and Reactions in the Industrialized World*, *Historical Social Research* 39(4) (2014).

15. Barry Eichengreen, *Exorbitant Privilege: The Rise and Fall of the Dollar and the Future of the International Monetary System* (New York, 2010).

16. Donella H. Meadows, Dennis L. Meadows, Jørgen Randers and William W. Behrens III, *The Limits to Growth: A Report for the Club of Rome's Project on the Predicament of Mankind* (New York, 1972).

17. Daniel Bell, *The Coming of Post-Industrial Society: A Venture in Social Forecasting* (New York, 1973).

18. Jean-Francois Lyotard, *La condition postmoderne: Rapport sur le savoir* (Paris, 1979); English: *The Postmodern Condition: A Report on Knowledge* (University of Minnesota, 1984).

19. Case studies on the United States, Great Britain, Germany and Poland in: Norbert Frei and Dietmar Süß (eds), *Privatisierung: Idee und Praxis seit den 1970er Jahren* (Göttingen, 2012).

20. The term Thatcherism was introduced by the recently deceased Stuart Hall: Stuart Hall, *The Politics of Thatcherism* (London, 1983). The term Reaganomics supposedly originates from the radio journalist Paul Harvey ('Beloved Radio Broadcaster Paul Harvey Dies at 90', in *Washington Post*, 1 March 2009).

21. For the view of world historians that globalization has been going on for several centuries if not millennia, see Andre Gunder Frank, *ReOrient: Global Economy in the Asian Age* (Berkeley, CA, 1998); Jerry H. Bentley, 'Asia in World History', *Education About Asia* 4, 5–9.

22. Jean Fourastié, *Les Trente Glorieuses, ou la révolution invisible de 1946 à 1975* (Paris, 1979).

23. This line of argumentation comes from Andreas Wirsching (ed.), 'Forum: The 1970s and 1980s as a Turning Point in European History?', with contributions from Göran Therborn, Geoff Eley, Hartmut Kaelble and Philippe Chassaingne, *Journal of Modern European History* 9(1) (2011), 7–26.

24. Niall Ferguson, 'Introduction. Crisis, what Crisis? The 1970s and the Shock of the Global', in *The Shock of the Global: The 1970s in Perspective*, ed. Niall Ferguson, Charles S. Maier, Erez Manela and Daniel J. Sargent (Cambridge, MA, 2010), 1–21.

25. Marcel van der Linden, *Workers of the World: Essays toward a Global Labor History* (Leiden, 2008).

26. Anselm Doering-Manteuffel and Lutz Raphael, *Nach dem Boom: Perspektiven auf die Zeitgesichte seit 1970* (Göttingen, 2008), 53.

27. See also Charles S. Maier, 'Two Sorts of Crisis? The "Long" 1970s in the West and the East', in *Koordinaten deutscher Geschichte in der Epoche des Ost-West-Konflikts*, ed. Hans Günther Hockerts (Munich, 2004), 49–62.

28. Hartmut Kaelble, 'The 1970s in Europe: A Period of Disillusionment or Promise?' (German Historical Institute London, The 2009 Annual Lecture, 2010), 18.

29. Thomas Borstelmann, *1970s: A New Global History from Civil Rights to Economic Inequality* (Princeton, NJ, 2012); for the USA, see also Bruce J. Schulman, *The Seventies: The Great Shift in American Culture, Society, and Politics* (Cambridge, MA, 2002).

30. For the USA, see Edward D. Berkowitz, *Something Happened: A Political and Cultural Overview of the Seventies* (New York, 2006); and Schulmann, *The Seventies*. For Germany, see Bernd Faulenbach, *Das sozialdemokratische Jahrzehnt: Von der Reformeuphorie zur neuen Unübersichtlichkeit. Die SPD 1969–1982* (Bonn, 2011). See also Duco Hellema, 'Die langen 1970er Jahre – eine globale Perspektive', in *Radikalismus und politische Reformen: Beiträge zur*

*deutschen und niederländischen Geschichte in den 1970er Jahren*, ed. Duco Hellema, Friso Wielenga and Markus Wilp (Münster, New York, Munich and Berlin, 2012), 15–32.

31. See also the differing findings in Konrad H. Jarausch (ed.), *Das Ende der Zuversicht? Die siebziger Jahre als Geschichte* (Göttingen, 2008).

32. Morten Reitmayer, 'Deutsche Konkurrenzkulturen nach dem Boom', in *Konkurrenz in der Geschichte: Praktiken – Werte – Institutionalisierungen*, ed. Ralph Jessen (Frankfurt and New York, 2014), 262.

33. See Peter Hall and Michèle Lamont (eds), *Social Resilience in the Neoliberal Era* (Cambridge, 2013).

34. Daniel Stedman Jones, *Masters of the Universe: Hayek, Friedman and the Birth of Neoliberal Politics* (Princeton, NJ, 2012); Nicholas Wapshott, Keynes Hayek, *The Clash that Defined Modern Economics* (New York, 2011); idem., *The Road from Mont Pèlerin: The Making of the Neoliberal Thought Collective*, ed. Philip Mirowski and Dieter Plehwe (Cambridge, MA, 2009).

35. Patrick Neveling, 'Structural Contingencies and Untimely Coincidences in the Making of Neoliberal India: The Kandla Free Trade Zone, 1965–91', in *Indian Sociology* 48 (2014), 18.

36. Philipp Ther, *The New Order on the Old Continent: A History of Neoliberal Europe* (Princeton, NJ, 2016).

37. See as overview: Brian Bercusson, *European Labour Law* (Cambridge, 2009).

38. Luc Boltanski and Éve Chiapallo, *The New Spirit of Capitalism* (London and New York, 2005).

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