Contemporary European History (2026), **35**, e68, page 1 of 19
doi:10.1017/S0960777326101672

CAMBRIDGE
UNIVERSITY PRESS

ARTICLE

The Left-Wing Case for Austerity: Planning and Consumption Restraint in 1970s Europe

Michele Di Donato

Department of Political Science, Roma Tre University, Rome, Italy
Email: michele.didonato@uniroma3.it

This article explores the emergence of a distinct left-wing politics of austerity in Western Europe during the 1970s – a decade marked by stagflation, environmental concern and the perceived exhaustion of post-war growth models. In contrast to the neoliberal orthodoxy that would later define the term, the projects discussed conceived austerity as a moral and political programme grounded in planning, restraint and redistribution. Focusing on Sicco Mansholt of the Dutch Labour Party, Jacques Delors of the French Socialist Party, Enrico Berlinguer of the Italian Communist Party and the social democratic economists Jan Tinbergen and Gunnar Myrdal, the article reconstructs how leading thinkers and political actors sought to turn crisis into an opportunity for egalitarian transformation, coupling calls to curb private consumption in the industrialised North with demands for global economic reform and ecological sustainability. At the same time, it underscores the constraints these initiatives faced – above all, the difficulty of balancing radical reform aspirations with the practical demands of governance and democratic consent. The article argues that revisiting these unrealised experiments helps to illuminate enduring dilemmas about the reconciliation of social progress, global interdependence and ecological sustainability in an age of limits.

In early 1972, the Dutch Labour politician Sicco Mansholt – vice-president of the European Commission and its powerful Commissioner for Agriculture – drew wide attention across Europe with a series of bold and controversial proposals. In a now-famous letter to Commission President Franco Maria Malfatti, Mansholt called for a fundamental break with the growth model that had shaped European policy since the war. Drawing on the soon-to-be-released *Limits to Growth* report to the Club of Rome, which he had read in advance, he warned that the relentless pursuit of production and consumption was driving humanity towards ecological and demographic catastrophe. Instead of chasing an ever-rising gross national product, Mansholt urged the European Community (EC) to adopt new indicators such as 'gross national happiness' or 'gross national utility', placing collective well-being above material expansion. He envisioned a society grounded in ecological balance, population control and disciplined consumption: goods should last longer, waste and pollution should be taxed, investment should flow towards recycling and clean production. Material living standards, he admitted, would fall, but this loss could be offset by richer intellectual and cultural lives. Coming from one of the EC's leading figures, this was a stunning reversal: a call for a self-imposed austerity built on social responsibility and the recognition of planetary limits.[1]

[1]Johan van Merriënboer, *Mansholt: A Biography* (Brussels: Peter Lang, 2011), 534–8. The full text of the letter is available at 'Letter from Sicco Mansholt to Franco Maria Malfatti (February 1972)', https://www.cvce.eu/en/obj/letter_from_sicco_mansholt_to_franco_maria_malfatti_february_1972-en-51303966-0532-46bc-89c7-271ef294eb13.html (last visited 21 Feb. 2026).

© The Author(s), 2026. Published by Cambridge University Press. This is an Open Access article, distributed under the terms of the Creative Commons Attribution licence (http://creativecommons.org/licenses/by/4.0), which permits unrestricted re-use, distribution and reproduction, provided the original article is properly cited.

Mansholt's proposals sparked intense debate and have since been revisited by historians as milestones in the evolution of eco-socialist and degrowth ideas.[2] Yet he was not the only one to articulate a politics of sacrifice in the 1970s, nor was his approach the only one in circulation. This article aims to contribute to the growing historical debate on austerity by recovering an often overlooked tradition of left-wing austerity. While the 1970s are typically remembered for the rise of neoliberal responses to the multiple challenges besetting post-war social compacts – responses aimed at welfare retrenchment and market expansion – the left-wing variant operated on a fundamentally different premise. It linked reduced individual consumption in the Global North to expanded welfare provisions, environmental protection and international redistribution to correct global inequalities.

Austerity and the Left

Austerity has become a central theme in international public discourse, particularly in the aftermath of the 2008 financial crisis. In common usage, the term refers primarily to a set of deflationary policies aimed at achieving economic stabilisation, typically through measures such as cutting public budgets, scaling back welfare provisions and public services, privatising state assets, raising the retirement age and suppressing wage growth. While advocates present such measures as economic necessities, critics interpret them as instruments of a broader neoliberal agenda, highlighting tensions between national democracy and the international technocratic governance of institutions like the International Monetary Fund (IMF) and the European Union (EU) – often seen as key promoters of this 'neoliberal austerity'.[3]

This interpretive framework has also influenced historical research. Some scholars have traced lines of continuity by linking current practices to earlier instances of fiscal restraint. Economist and historian Clara Mattei, for instance, has argued that austerity 'must be understood for what it is and remains: an anti- democratic reaction to threats of bottom-up social change'. While her research focuses on the imposition of restrictive measures in Italy and Great Britain after the First World War, Mattei characterises austerity more broadly as a 'mainstay of modern capitalism', a strategy for enforcing class discipline and upholding what she defines as the 'capital order'.[4]

Others, however, have called for a more nuanced perspective on fiscal discipline – one that acknowledges the plurality of political and ideological motivations underpinning policies of economic restraint. Recent studies have explored instances of 'austerity without neoliberals' – in contexts as diverse as the Soviet Union of the 1920s, Salazar's Portugal or 1980s Romania – arguing that austerity could serve divergent purposes, often reinforcing state authority and promoting far-reaching social transformation.[5] Still others have proposed even deeper genealogies, challenging the very

[2]Sicco L. Mansholt, *La lettre Mansholt: réactions et commentaires. Dossier établi par Laurence Reboul et albert Te Pass* (Paris: J.J. Pauvert, 1972); Timothée Duverger, 'De Meadows à Mansholt: L'invention du Zégisme', *Entropia: Revue d'étude Théorique et Politique de La Décroissance*, no. 10 (2011), 114–123; Joan Martínez Alier, 'Sicco Mansholt, El Presidente de La Comisión Europea Que Planteó El Decrecimiento', *Ecología Política*, no. 42 (2011), 125–130; Barbara Muraca and Matthias Schmelzer, 'Sustainable Degrowth: Historical Roots of the Search for Alternatives to Growth in Three Regions', in *History of the Future of Economic Growth: Historical Roots of Current Debates on Sustainable Degrowth*, ed. Iris Borowy and Matthias Schmelzer (New York: Routledge, 2017), 174–197.

[3]Mark Blyth, *Austerity: The History of a Dangerous Idea* (Oxford: Oxford University Press, 2013); Michael Burton, *The Politics of Austerity: A Recent History* (London: Palgrave Macmillan, 2016); Suzanne J. Konzelmann, *Austerity* (Cambridge: Polity Press, 2019); Bryan Evans, Dieter Plehwe and Stephen McBride, eds., *The Changing Politics and Policy of Austerity* (Bristol: Policy Press, 2021); Heather Whiteside, Stephen McBride and Bryan Evans, eds., *Varieties of Austerity* (Bristol: Policy Press, 2021); Melinda Cooper, *Counterrevolution: Extravagance and Austerity in Public Finance* (Princeton: Princeton University Press, 2024).

[4]Clara E. Mattei, *The Capital Order: How Economists Invented Austerity and Paved the Way to Fascism* (Chicago: University of Chicago Press, 2022), 6–7. See also Johanna Gautier Morin, 'Democracy, Authoritarianism and Global Economic Governance', *Contemporary European History* 34, no. 2 (2025), 557–568.

[5]Cristian Capotescu, Oscar Sanchez-Sibony and Melissa Teixeira, 'Austerity without Neoliberals: Reappraising the Sinuous History of a Powerful State Technology', *Capitalism: A Journal of History and Economics* 3, no. 2 (2022), 379–420.

https://doi.org/10.1017/S0960777326101672 Published online by Cambridge University Press

association between austerity and modern economic rationality: as historian Florian Schui has observed, while calls for restraint are as old as humankind, they were traditionally justified on moral, religious and political grounds.[6]

Building on these insights, I shall use 'austerity' as an umbrella definition for projects that, however different, articulate a politics of sacrifice. In this sense, the concept extends beyond fiscal orthodoxy and neoliberal logics. In contemporary politics, in particular, economic restraint also features prominently in debates on environmental sustainability and degrowth. Scholars and activists working within this framework have long argued the need to curb individual consumption – particularly in the Global North – as a necessary step towards addressing human-induced environmental degradation and climate change through a fundamental rethinking of existing patterns of growth and distribution. Far from advancing agendas that reinforce capitalist equilibria or weaken the welfare state, these perspectives call for reduced economic activity to be combined with a radical redistribution of wealth, both within and across nations.[7]

By focusing on the 1970s, this article examines a foundational moment in the emergence of competing visions of austerity and sacrifice. The decade is often described as marking the onset of a new 'age of limits', in which constraints appeared increasingly evident across multiple domains.[8] European policymakers confronted growing limits on their capacity to sustain the post-war model of economic and social development, as stagflation, the energy crisis and rising global interdependence rendered the traditional tools of post-1945 'embedded liberalism' far less effective. At the same time, debates about environmental risks and planetary constraints gained unprecedented prominence, spurred by milestones such as the first Earth Day (1970), the UN Conference on the Human Environment in Stockholm (1972), the *Limits to Growth* report (1972) and the 1973 oil shock.[9]

As the post-war dream of unending social and economic expansion gave way to a more sombre mood of restraint, a number of prominent political leaders and experts from Western Europe's socialist and communist ranks developed distinctive responses to this emerging 'politics of less'. Though their sources of inspiration and approaches were varied and at times divergent, they shared a common call to curb individual consumption in developed countries as part of a broader effort to transform domestic and international equilibria in a progressive and egalitarian direction.

The article will focus on a selection of particularly significant figures operating within this framework: alongside Sicco Mansholt, it will examine politicians such as Jacques Delors of the French Socialist Party and Enrico Berlinguer of the Italian Communist Party, as well as Nobel Prize–winning social democratic economists Jan Tinbergen and Gunnar Myrdal. This selection deliberately concentrates on representatives of the mainstream 'Old Left', leaving aside other influential thinkers and activists. The leftist debate on growth, consumption, and ecological limits was, in fact, also shaped by more 'unorthodox' voices such as Herbert Marcuse, André Gorz, Ivan Illich and Murray Bookchin,

[6] Florian Schui, *Austerity: The Great Failure* (New Haven: Yale University Press, 2014).

[7] See Jason Hickel, *Less Is More: How Degrowth Will Save the World* (London: Random House, 2020), 232–4; Matthias Schmelzer, Andrea Vetter and Aaron Vansintjan, *The Future Is Degrowth: A Guide to a World Beyond Capitalism* (London: Verso Books, 2022), 20–3; Kohei Saito, *Slow Down: The Degrowth Manifesto* (New York: Astra Publishing House, 2024), 182–3.

[8] W. Carl Biven, *Jimmy Carter's Economy: Policy in an Age of Limits* (Chapel Hill: University of North Carolina Press, 2003).

[9] See, within a very rich literature: Niall Ferguson et al., eds., *The Shock of the Global: The 1970s in Perspective* (New Haven: Harvard University Press, 2011); Stephen J. Macekura, *Of Limits and Growth: The Rise of Global Sustainable Development in the Twentieth Century* (Cambridge: Cambridge University Press, 2015); Matthias Schmelzer, *The Hegemony of Growth: The OECD and the Making of the Economic Growth Paradigm* (Cambridge: Cambridge University Press, 2016); Elisabetta Bini, Giuliano Garavini and Federico Romero, eds., *Oil Shock: The 1973 Crisis and Its Economic Legacy* (London: Bloomsbury, 2016); Daniel J. Sargent, *A Superpower Transformed: The Remaking of American Foreign Relations in the 1970s* (New York: Oxford University Press, 2017); Frank Uekötter, ed., *Exploring Apocalyptica: Coming to Terms with Environmental Alarmism* (Pittsburgh: University of Pittsburgh Press, 2018); Fritz Bartel, *The Triumph of Broken Promises: The End of the Cold War and the Rise of Neoliberalism* (Cambridge, MA: Harvard University Press, 2022); Michael De Groot, *Disruption: The Global Economic Shocks of the 1970s and the End of the Cold War* (Ithaca: Cornell University Press, 2024).

https://doi.org/10.1017/S0960777326101672 Published online by Cambridge University Press

to name only a few.[10] These latter figures, however, could explore new intellectual directions with a degree of freedom made possible by their distance from the constraints of political office. By contrast, this article foregrounds the dilemmas of advocating austerity from within the sphere of policy influence, where ideas had to be reconciled with the practical demands of governance and democratic legitimation. In addressing these questions, the article focuses primarily on political discourse and policy proposals. Due to space constraints, other dimensions – such as the policies of European states and public authorities, or the general strategies of parties and unions involved in austerity programmes – remain largely in the background.

'Austerity from the Left' is not an entirely new concept in the literature, and four main lines of analysis can be identified. One strand has examined the British Labour Party, highlighting how the austerity policies of the post-1945 Attlee governments, rooted in a distinctive political and moral economy shaped by wartime hardship, combined stringent fiscal restraint and consumption controls with an ambitious project of welfare state expansion.[11] This experience, however, has rarely been examined in comparative perspective. 'Neoliberal' austerity has arguably attracted more attention. Political scientists have often interpreted social democratic parties' recent commitment to fiscal discipline as a sign of their weakened ideological identity and acquiescence to a dominant neoliberal consensus, while also emphasising the role of electoral pressures and the lasting influence of supply-side approaches characteristic of the 1990s 'Third Way'.[12] Historians, by contrast, have offered more nuanced accounts of the Left's adaptation to the post-1970s economic landscape, showing how radical and moderate strategies coexisted and competed under the pressures of globalisation and shifting international equilibria.[13] Finally, recent studies have turned to the 1970s to explore the rise of a left-wing critique of productivism and economic growth grounded in environmental concerns.[14]

This article bridges these approaches to demonstrate how environmental and fiscal concerns, combined with ideas about North–South relations and a broader set of political and moral arguments, contributed to the formation of radical – rather than neoliberal – austerity projects during the 1970s. These projects, however, resulted in very few practical outcomes, revealing a persistent friction between the politics of sacrifice, progressivism and democracy.

[10] Philip Walsh, 'Herbert Marcuse and Contemporary Social Theory: Beyond the Consumer Society', in *Current Perspectives in Social Theory*, ed. Harry F. Dahms (Leeds: Emerald Publishing, 2008), 235–260; Willy Gianinazzi, *André Gorz, une vie* (Paris: La Découverte, 2019); Janet Biehl, *Ecology or Catastrophe: The Life of Murray Bookchin* (Oxford: Oxford University Press, 2015).

[11] Ina Zweiniger-Bargielowska, *Austerity in Britain: Rationing, Controls, and Consumption, 1939–1955* (Oxford: Oxford University Press, 2000); Peter F. Clarke, *The Cripps Version: The Life of Sir Stafford Cripps, 1889–1952* (London: Allen Lane, 2002); David Kynaston, *Austerity Britain, 1945–1951: Tales of a New Jerusalem* (London: Bloomsbury Publishing, 2014); Colm Murphy and Patrick Diamond, 'Prudence from the Left: Economic Restraint and UK Social Democracy since 1945', *The British Journal of Politics and International Relations*, 27, no. 4 (2025), 1430–1453.

[12] Stephanie L. Mudge, *Leftism Reinvented: Western Parties from Socialism to Neoliberalism* (Cambridge, MA: Harvard University Press, 2018); Björn Bremer, *Austerity from the Left: Social Democratic Parties in the Shadow of the Great Recession* (Oxford: Oxford University Press, 2023). See also Julian Germann, *Unwitting Architect: German Primacy and the Origins of Neoliberalism* (Stanford: Stanford University Press, 2021).

[13] See especially recent works: Aurélie Dianara Andry, *Social Europe, the Road Not Taken: The Left and European Integration in the Long 1970s* (Oxford: Oxford University Press, 2022); Mathieu Fulla, 'The Neoliberal Turn That Never Was: Breaking with the Standard Narrative of Mitterrand's *Tournant de La Rigueur*', *Contemporary European History* 33, no. 2 (2024), 763–784; Michele Di Donato, *Le socialdemocrazie in transizione: una storia internazionale degli anni Settanta*, Studi e ricerche (Bologna: Il Mulino, 2024); Matt Myers, *The Halted March of the European Left: The Working Class in Britain, France, and Italy, 1968–1989* (Oxford: Oxford University Press, 2025).

[14] Muraca and Schmelzer, 'Sustainable Degrowth: Historical Roots of the Search for Alternatives to Growth in Three Regions'; Serge Audier, *L'âge productiviste: hégémonie prométhéenne, brèches et alternatives écologiques* (Paris: La Découverte, 2020); Serge Latouche, *Les précurseurs de la décroissance: une anthologie* (Lorient: Le passager clandestin, 2016); Bruno Villalba, *Politiques de sobriété* (Paris: Le Pommier, 2023).

https://doi.org/10.1017/S0960777326101672 Published online by Cambridge University Press

Cross-Currents of Crisis: Sicco Mansholt and Jacques Delors

Mansholt's letter to Malfatti took many by surprise, yet it did not emerge in a vacuum. His biographer, Johan van Merriënboer, describes a process of 'radicalisation' that began around 1968, as the Dutch leader started to grapple with the challenges of the Global North–South divide. Coming from a rural and social democratic background, Mansholt had established himself as a leading expert on agricultural policy – first in the Netherlands, and then as a chief architect of the Common Agricultural Policy and one of the most prominent members of the first European Commission. In that capacity, he became the foremost advocate of agricultural modernisation, forcefully promoting productivity-driven reforms and urging a comprehensive restructuring of European farming.[15] Long committed to a reformist outlook, he was initially lukewarm towards the New Left and the 1968 protests. At the same time, he became increasingly frustrated by what he perceived as the central contradictions of his time, and especially the problems of food security, population growth and global inequality. In his public interventions of the early 1970s he began to openly question whether these problems could still be solved within a capitalist framework.[16]

When he received an advance copy of the *Limits to Growth* report in late 1971, he felt a sense of vindication, but also one of shock, as he later recalled in an oft-quoted passage of his memoirs: 'I had never realised', he commented, 'how all the problems were interconnected. Energy, food, population, shortage of natural resources, industrialisation, ecological imbalance? It's a whole. I had never felt, as I did in this report, that it was virtually impossible to correct one point, just one, without making others worse.'[17]

Prepared by a research team at the Massachusetts Institute of Technology, the report famously used a computer model to simulate the interaction of five key factors: population, industrialisation, pollution, food production and resource depletion. Its central conclusion was that the planet's physical limits would be reached within a century if exponential economic and population growth continued unabated. Accordingly, it proposed a radical shift towards a 'state of global equilibrium', where the growth of population and material capital would be intentionally limited to ensure long-term ecological and economic stability.[18]

In his letter to Malfatti, which he intended as a sketch of problems to be examined rather than a definitive programme, Mansholt elaborated on these themes based on his own experience and perspective. One of his most distinctive proposals was to use the European Community's structures to restrain material growth and establish a new planning system based on 'gross national utility'. This would be implemented through a binding European economic plan, supported by a five-year plan to develop a closed-loop, anti-pollution production system.[19]

This European focus, together with the highly controversial reference to population control, accentuated the impression of a distinctive technocratic bent in the project. The letter was soon leaked to the press, sparking controversy particularly in France, where the Communist Party seized upon Mansholt's ideas for a bitter anti-European campaign. The party secretary, Georges Marchais, characterised his programme as 'an extreme Malthusian policy, for which the West European Community is intended to be the very instrument. . . . A Europe of misery and economic repression'.[20] As several

[15]Ann-Christina L. Knudsen, *Farmers on Welfare: The Making of Europe's Common Agricultural Policy* (Ithaca: Cornell University Press, 2011), 113–20.

[16]Johan van Merriënboer, 'Sicco Mansholt and "Limits to Growth"', in *Europe in a Globalising World*, ed. Claudia Hiepel (Baden-Baden: Nomos, 2014), 319–342. See also Andry, *Social Europe*, 112–16.

[17]Sicco Leendert Mansholt and Janine Delaunay, *La crise: conversations avec Janine Delaunay* (Paris: Stock, 1974), 151.

[18]Donella H. Meadows et al., *The Limits to Growth: A Report for the Club of Rome's Project on the Predicament of Mankind* (New York: Universe Books, 1972). For an introduction to the burgeoning literature on the report, see Giuliano Garavini, 'Whose "Limits to Growth"? Novelty and Ambiguity of the 1972 Report to the Club of Rome', *Studi Storici*, 66, no. 4 (2025), 945–968.

[19]Letter from Sicco Mansholt to Franco Maria Malfatti (Feb. 1972).

[20]Mansholt, *La lettre Mansholt*, 49. See also Audier, *L'âge productiviste*, 615–24.

https://doi.org/10.1017/S0960777326101672 Published online by Cambridge University Press

contemporaries observed, the campaign paradoxically amplified the visibility of both Mansholt's ideas and *Limits to Growth*.[21] The reaction was mostly negative, however, and even those who acknowledged the validity of the problems he raised criticised his plans for being politically impractical.

This issue was further underscored by Mansholt's concurrent role in leading a committee of Dutch left-wing parties, which was exploring the formation of a new 'Progressive People's Party'. The committee's report, released in March 1972, was met with a cool reception. The text, once again heavily influenced by *Limits to Growth*, outlined goals such as 'Stemming the Population Explosion', 'Limitation of Economic Growth', 'Revaluation of Labour' and 'Equality and the Urban Quality of Life'. As diplomats at the US Embassy in The Hague wryly observed:

> Aside from the substantive merits of the Club of Rome thesis, it seems fair to say that the Mansholt Committee product is not the type of report which will engage either Dutch voters or politicians. A recently published study of the Netherlands Institute for Public Opinion reveals only 17 percent of the Dutch voters actually know what the Club of Rome is; 27 percent have heard of it but think it is either a church organization which nominates bishops or a society of Italian scholars; 56 percent have never even heard of the Club of Rome. Thus the Mansholt Committee faces serious problems if it wishes to translate its recommendations into a platform for political action.[22]

Mansholt stepped down from major political responsibilities in 1973, following a brief ten-month tenure as president of the European Commission. It would thus be easy to dismiss his proposals as the idealistic musings of an ageing leader. Yet, as recent research indicates, similar ideas of planned austerity were also emerging among more pragmatic left-wing figures, not typically associated with utopian escapism. A prominent example from the mid-1970s was Jacques Delors (another future president of the European Commission), who joined the French Socialist Party (PS) in 1974 after a multifaceted career spanning politics – as special assistant to Gaullist Prime Minister Jacques Chaban-Delmas – public administration, notably within the national agency for economic planning, and trade unionism in the Christian Confédération française des travailleurs chrétiens and its non-confessional successor Confédération française démocratique du travail (CFDT).[23]

Delors joined the PS – then led by François Mitterrand and engaged in a fractious 'Union of the Left' with the French Communist Party – in the aftermath of the Assises du socialisme meeting, held in October 1974. The Assises aimed at strengthening the socialist pole of the Left alliance and paved the way for the entry into the PS of members and leaders of the smaller Parti socialiste unifié (most notably Michel Rocard), along with CFDT unionists, activists and intellectuals linked to the 1968 movements, and left-wing Christians.[24]

Delors was a prominent figure within these milieus. His ideas on social reform pointed to a model of democratic socialism that closely mirrored that of the so-called *deuxième gauche* associated with Rocard and the CFDT. Centred on social autonomy and self-management (*autogestion*), this current articulated an anti-statist programme designed to democratise and decentralise power across political institutions and the workplace alike. But, unlike many who identified with this tendency, Delors

[21] See Michel Bosquet [André Gorz], 'Il libro rosso di Sicco Mansholt', *Settegiorni*, 16 Apr. 1972.

[22] From Amembassy The Hague to Department of State, 'Progressive People's Party or "Roman-Red": The Mansholt Factor and the Politics of Nostalgia', 20 Mar. 1972, US National Archives, College Park (NARA), RG 59, Subject Numeric Files, 1970–73, box 2497. For more context, see van Merriënboer, *Mansholt*, 538–44.

[23] On Delors's pragmatism and ability to compromise see Alessandra Bitumi, '"An Uplifting Tale of Europe": Jacques Delors and the Contradictory Quest for a European Social Model in the Age of Reagan', *Journal of Transatlantic Studies* 16, no. 3 (2018), 203–221.

[24] See Michael Scott Christofferson, *Les intellectuels contre la gauche: L'idéologie antitotalitaire en France (1968–1981)* (Marseille: Agone, 2014), 211–17; Laurent Jalabert, 'Des Assises du Socialisme au congrès de Pau: construire le grand parti des socialistes?', in *Le Parti socialiste d'Épinay à l'Elysée, 1971–1981*, ed. Noëlline Castagnez and Gilles Morin (Rennes: Presses universitaires de Rennes, 2015), 165–176.

https://doi.org/10.1017/S0960777326101672 Published online by Cambridge University Press

remained closely aligned with Mitterrand's leadership and strategy, which he considered the most effective route for the Left to gain access to power. Delors was also tied to left-wing Christian circles. His political formation was deeply shaped by the personalist philosophy of the Catholic thinker Emmanuel Mounier, whose humanist, anti-individualistic and anti-materialistic outlook remained a lasting source of inspiration. In the 1950s, he became a member of the personalist movement La Vie Nouvelle, where he founded the club Citoyen 60 – the first of many initiatives through which he encouraged political engagement and reflection outside party structures, a practice he continued after joining the PS by animating the Échange et projets club.[25]

With his entry into the PS, Delors helped embed within the party's political culture a new concern for 'qualitative' approaches to social and economic issues. This orientation sat uneasily with the Union of the Left's programme, which rested on a distinctively state-centred and 'quantitative' emphasis on economic growth and demand expansion. But, in line with his strategic loyalty to Mitterrand, he generally presented his views as complementing rather than challenging the 'Marxist–Keynesian' synthesis that characterised the party majority.[26] Despite lingering diffidence over his earlier collaboration with the Gaullists, his responsibilities within the PS grew steadily.

Looking at Delors's political stance, especially as articulated in his 1975 interview book *Changer*, historian Éric Bussière has noted a 'strong convergence' with Mansholt's ideas about planning, resources and consumption.[27] At the same time, their projects also revealed important differences, shaped by both distinct ideological backgrounds and the shifting international context of the early 1970s. Trends that were only emerging when Mansholt issued his alarm call – stagnant growth, inflation and rising unemployment – had taken centre stage by mid-decade, as the world confronted the new reality of stagflation. Meanwhile, the 1973 oil shock, soon followed by the United Nations Declaration on the Establishment of a New International Economic Order (NIEO) advanced by developing countries, underscored the urgency and interdependence of questions concerning resources and the growing assertiveness of the Global South.[28]

In *Changer*, Delors interpreted the economic crisis as a symptom of the 'established disorder' of modern capitalism. Part of his analysis leaned towards a broad rejection of materialism and individualism, reflecting his roots in Christian personalism. Already in the late 1950s, he wrote, he had begun to formulate a critique of consumer society that was 'more moral than scientific':

> I sensed that consumer society would develop its own risks and that, alongside undeniable material progress, it would generate new forms of alienation without entirely eliminating those that already existed. I therefore denounced the predominance of having over being, the risk of certain needs being exacerbated to the point of futility, while other needs, albeit essential – such as the need for free time to communicate, love, pray, and the aspiration for a balanced life that combines fulfilment in work with quality of private life – would be neglected.[29]

By the 1970s, signals of systemic crisis had multiplied, driven by three major shocks: the intensifying distributive conflict and political radicalisation within Western societies; the ecological and resource

[25]See Jacques Delors, *L'unité d'un homme. Entretiens avec Dominique Wolton* (Paris: Odile Jacob, 1994), 17–32; Charles Grant, *Delors: Inside the House that Jacques Built* (London: Nicholas Brealey, 1994), 19–45; Benedetto Zaccaria, 'Personalism and European Integration: Jacques Delors and the Legacy of the 1930s', *Contemporary European History* 33, no. 3 (2024), 982–1001.

[26]Mathieu Fulla, *Les socialistes français et l'économie (1944–1981): une histoire economique du politique* (Paris: Les presses SciencesPo, 2016), 302–8, 356.

[27]Éric Bussière, *L'Europe de Jacques Delors: gestation et mise en œuvre d'un projet* (Paris: Sorbonne Université Presses, 2024), 51–2.

[28]See Giuliano Garavini, *After Empires: European Integration, Decolonization, and the Challenge from the Global South 1957–1986* (Oxford: Oxford University Press, 2012); Michael Franczak, *Global Inequality and American Foreign Policy in the 1970s* (Ithaca: Cornell University Press, 2022).

[29]Jacques Delors, *Changer. Conversations avec Claude Glayman* (Paris: Stock, 1975), 287.

https://doi.org/10.1017/S0960777326101672 Published online by Cambridge University Press

scarcity highlighted by the Club of Rome report; and the collapse of the international monetary system, with the ensuing financial volatility. This situation, which primarily afflicted the industrialised West, was further compounded by the rise of the Global South, signalling the impossibility of maintaining a state of 'unequal exchange' in the global economy. 'In other words', Delors observed, 'we have built our prosperity, to a large extent, on the backs of a global proletariat, that of the Third World. If one were to venture a prediction . . . I would say that this reversal of power relations [highlighted by the oil shock] is irreversible.'[30]

In this context, the global inflation of the 1970s became a metaphor for a bulimic and directionless system – one that bred alienation in developed countries, worsened conditions in the developing world and degraded the environment and natural resources on a planetary scale. The way out, to 'restore meaning' to 'societies without a compass', lay in a form of planning designed to enable global redistribution, a reduced material consumption in the North, and the prudent management of natural resources (*en bon père de famille* – like a benevolent patriarch – in Delors's gendered formulation).[31] This planning, however, was to be 'democratic', marked by social mobilisation and citizen participation – key tenets of the *deuxième gauche*. He thus called for a moral regeneration of society through a humanism grounded in *autogestion* and animated by 'three essential aims': 'a new conception of ownership, the pursuit of greater flexibility, and the recovery of autonomy'.[32]

Delors further elaborated his politics of reduced consumption in his contribution to a 1976 study on inflation produced by a working group set up at the behest of the European Commission and chaired by Robert Maldague, the head of the Belgian planning agency.[33] Inflation, Delors insisted, was largely rooted in a deeper social malaise, which generated 'qualitative dissatisfactions' and a corresponding search for compensation through 'increases in income and quantitative benefits'.[34] To counter this, he urged planning policies oriented towards new social priorities, advocating a shift to 'broaden the range of needs to be satisfied, so that a comprehensive consideration of quality of life in all its aspects puts a brake on the surge of purely quantitative demands'. Resources, he argued, should be directed less towards material consumption and more towards expanding 'the volume and efficiency of public services'. Recognising the strong resistance such a reorientation would provoke, he maintained that it could succeed only through democratic and participatory planning; that is, by 'finding political solutions that make citizens themselves the supporters and agents of the desired transformations'.[35]

Compared to Mansholt, Delors's proposals rested more on a humanistic critique and an optimistic faith in social autonomy and citizen mobilisation than on top-down planning driven by implacable necessities indicated by a computer model. At the same time, the problems he described were closer to home than in 1971–2: by the mid-decade the crisis was a vivid reality in France and in Europe, rather than a projection of future global trends. Nevertheless, translating ideas into policy proved difficult. Commenting on the Maldague Report, Michael Emerson, economic advisor to Commission President Roy Jenkins, dismissed the whole endeavour as the work of people 'who have a bit of money for study contracts and like to spend it on radical tracts'. The core flaw, he argued, was that its proposals rested on a social consensus that was in fact elusive: 'if only everybody agreed with the writers' view of society', he noted, this 'would remove the social friction element in the determination of inflation'.[36]

[30] Ibid., 293.

[31] Ibid., 295.

[32] Ibid., 297.

[33] See Laurent Warlouzet, *Governing Europe in a Globalizing World: Neoliberalism and Its Alternatives Following the 1973 Oil Crisis* (New York: Routledge, 2017), 48–50; Andry, *Social Europe*, 179–86.

[34] Quotations from 'Inflation et déflation – Groupe d'étude "problèmes de l'inflation"', Jacques Delors, 'Problématique pour un autre développement', Historical Archives of the European Union, Fiesole, Collège Roy Harris Jenkins, CEUE_JENK-748, accessed 21 Feb. 2026, https://archives.eui.eu/en/discover/links/107836?item_id=559584.

[35] Delors, 'Problématique pour un autre développement'.

[36] HAEU, CEUE_JENK-748, Emerson to President, 27 Jan. 1977.

https://doi.org/10.1017/S0960777326101672 Published online by Cambridge University Press

The Report's recommendations for increased economic planning failed to gain traction, and their impact on policy was minimal.

Delors, however, continued to reflect on these questions even as, between the late 1970s and early 1980s, he came to be regarded as the PS's leading economic expert. In 1980, he wrote the preface to *La révolution du temps choisi* ('The Revolution of Chosen Time'), a collective study produced by his Échange et projets club. The study proposed a response to the economic crisis that linked reductions in working hours to the expansion of individual autonomy in the organisation of time and the promotion of collective work-sharing. Taken together, these measures once again pointed to a solidaristic and anti-materialistic approach that sought to turn the crisis into an opportunity to redefine social priorities. The study also introduced the notion of *abondance frugale* (frugal abundance), which would leave a lasting mark on French political thought. As the authors explained:

> The new element emerging from today's economic analysis is that, faced with such an accumulation of constraints, we have no choice but between an imposed and fundamentally unequal austerity, and a frugality collectively embraced. Not just any frugality, to be sure . . . . Time, precisely, is the means of introducing this frugality while making it felt not as an impoverishment but as an enrichment. By encouraging the choice of greater freedom and authenticity, and of slightly fewer material goods, the self-regulation of time sets us on the path towards this 'broadened consumption' which . . . sketches the outlines of a societal project.[37]

Three years later, under very different circumstances, Delors – then serving as Finance Minister in a Socialist-led government – became the public face of a widely debated austerity turn (*tournant de la rigueur*) in economic policy.[38] This earned him a much-tarnished reputation in left-wing circles. Delors came to be seen by many as a 'social democratic reformist who surfed on the radical wave of the 1970s before . . . rallying to economic liberalism', epitomising the Left's neoliberal turn.[39] While a discussion of this episode lies beyond the scope of this article, some of the assumptions underlying this narrative can be questioned by pointing to continuities in his thinking. Delors was acutely aware of the risks and limitations of a purely quantitative expansion of demand and consumption and had long warned of the need for readjustment. What remained controversial was how – and at whose expense – such stabilisation should be pursued.

Taking Up the Banner of Austerity: Enrico Berlinguer

Commenting on the *tournant* in retrospect, Delors claimed that the socialist government had chosen the term *rigueur* (strictness, rigour), instead of *austérité*, because uttering the latter 'would have felt like stabbing the very heart of the "people of the Left"'. 'Economic strictness (*la rigueur économique*), he argued, – painful as everyone understands it to be – has its generous counterpart: social strictness (*la rigueur sociale*), that is, fairness'.[40] Others, however, chose a different path. The left-wing leader who most explicitly embraced the watchword of austerity was Enrico Berlinguer, the secretary of the Italian Communist Party (PCI), who made it a defining element of the party's platform in the second half of the 1970s.

[37]Échange et projets, *La revolution du temps choisi. Préface de Jacques Delors*, Échange et projets (Paris: Albin Michel, 1980), 106. On the influence of the expression, see Jean-Baptiste de Foucauld, *L'abondance frugale. Pour une nouvelle solidarité* (Paris: Odile Jacob, 2010); Serge Latouche, *Vers une société d'abondance frugale. Contresens et controverses sur la décroissance* (Paris: Fayard, 2011). For further context, Villalba, *Politiques de Sobriété*; André Gorz, *Écologica* (Paris: Galilée, 2008).

[38]See especially Fulla, 'The Neoliberal Turn That Never Was'; Frédéric Bozo, *Le Tournant de 1983, une histoire politique: La gauche, la rigueur, l'Europe* (Paris: Odile Jacob, 2025).

[39]Aurélie Dianara, 'Jacques Delors Was the Gravedigger of "Social Europe"', *Jacobin*, 1 Aug. 2024, accessed 21 Feb. 2026, https://jacobin.com/2024/01/jacques-delors-obit-eu-neoliberal-turn.

[40]Philippe Alexandre and Jacques Delors, *En sortir ou pas* (Paris: B. Grasset, 1985), 76.

https://doi.org/10.1017/S0960777326101672 Published online by Cambridge University Press

To understand how Berlinguer framed the idea of austerity, it is first essential to sketch the broader Italian context and the PCI's circumstances at the time. In the June 1976 general election, the PCI achieved a record 34.4 percent of the vote. By then, the PCI had been on the rise for years, pressing its bid for government under the strategy of the 'historic compromise' with Christian Democracy and other forces, while distancing itself from Moscow and promoting a reformed 'Eurocommunism' abroad.[41] This occurred as Italy was severely affected by the international economic crisis. The post-war 'economic miracle' had rested heavily on export-led growth and low wages, but this began to shift in the late 1960s, when sustained labour conflict achieved major pay gains and advances in workplace democracy. Amidst post-1971 monetary turbulence, Italian authorities relied largely on currency devaluations to preserve industrial competitiveness, fuelling inflation. Wages kept pace with rising prices through an increasingly comprehensive indexation system, but this fragile balance was shattered by the energy crisis, which drove up import costs and entrenched a lasting external imbalance. From 1974, Italy repeatedly turned to international loans – from the IMF, the EC and the Bundesbank. In 1975, GDP growth turned negative for the first time since the Second World War.[42]

By 1976, stabilisation was seen as unavoidable as pressures mounted on the lira, yet it could not be achieved without some form of compromise with the PCI and the trade unions. At the same time, the prospect of communist participation in government raised concerns both within Italy and among its international partners, beginning with the United States. A partial solution emerged in the summer of 1976 with the formation of an all-Christian Democratic government under Giulio Andreotti, indirectly supported in Parliament by the Communists and other parties. This government operated within the strict parameters of an internationally negotiated stabilisation strategy, debated at the G7 summit in Puerto Rico – held days after the Italian election – and in meetings involving the United States, the United Kingdom, France and West Germany. Italy was expected to undertake a stringent programme to reduce inflation and stabilise the balance of payments, centred on spending cuts, higher taxes, tighter monetary policy and a reform of wage indexation. These measures were to be backed by an IMF line of credit, with the Fund brought in to give the plan a multinational veneer and make it appear as politically uncontentious as possible.[43] As such, this strategy reflected a wider international turn towards externally enforced economic discipline, most famously illustrated at the time by the United Kingdom's 'IMF crisis', and soon exported in a more radical form through the 'structural adjustment' programmes applied in developing countries.[44]

The Italian case exposed a set of policy dilemmas characteristic of the 1970s: international financial constraints, the challenge of controlling inflation and the contentious debate over labour's role in driving price increases. According to many policymakers and commentators, inflation and fiscal imbalances exemplified the growing inability of democratic states to guarantee 'governability' and manage the 'overload' of demands generated by social and political mobilisations – a view most prominently articulated in the Trilateral Commission's 1975 report, *The Crisis of Democracy*.[45] While

[41]Within a very large literature, see especially Silvio Pons, *The Rise and Fall of the Italian Communist Party: A Transnational History* (Stanford: Stanford University Press, 2024).

[42]Salvatore Rossi, *La politica economica italiana, 1968–2000* (Rome: Laterza, 2000), 9–55; Francesco Petrini, 'The Politics of Inflation and Disinflation: The Italian Case', in *Calmer Les Prix/Slowing Down Prices*, ed. Michel-Pierre Chélini and Warlouzet (Paris: Presses de Sciences Po, 2017), 115–142; Roberto Ventresca, 'Anti-Inflationary Commitment in the Post-Bretton Woods Era: Italy's Road to Stability-Oriented Monetary Policies, 1975–81', *Journal of Contemporary History* 58, no. 1 (2023), 177–199.

[43]Duccio Basosi and Giovanni Bernardini, 'The Puerto Rico Summit and the End of Eurocommunism', in *The Crisis of Détente in Europe: From Helsinki to Gorbachev 1975–1985*, ed. Leopoldo Nuti (New York: Routledge, 2008), 256–267; Lucrezia Cominelli, *L'Italia sotto tutela: Stati Uniti, Europa e crisi italiana degli anni Settanta* (Le Monnier, 2014), 187–222; Guido Formigoni, *Storia d'Italia nella guerra fredda (1943–1978)* (Bologna: Il Mulino, 2016), 474–92; Francesco Petrini, *La sferza del cambio. Il vincolo esterno nella storia dell'Italia repubblicana* (Milan: FrancoAngeli, 2025).

[44]Kevin Hickson, *The 1976 IMF Crisis and British Politics* (London: I.B. Tauris, 2005); Bartel, *The Triumph of Broken Promises*.

[45]Michel Crozier Samuel P. Huntington and Joji Watanuki, *The Crisis of Democracy: Report on the Governability of Democracies to the Trilateral Commission* (New York: New York University Press, 1975).

https://doi.org/10.1017/S0960777326101672 Published online by Cambridge University Press

such analyses pointed towards the curtailment of popular demands, the PCI drew the opposite conclusion. In October 1976, as the Andreotti government began implementing a first package of restrictive measures, Berlinguer addressed the PCI Central Committee with a speech tellingly titled 'A policy of austerity inspired by social justice to transform and renew the country'.[46] Berlinguer acknowledged that 'the fight against inflation must be the starting point, and that inflation – compounded by the balance-of-payments deficit and the currency crisis – is the most immediate and pressing threat facing our country'. The PCI therefore endorsed a 'strict policy of austerity', but on two conditions: that it be socially equitable, and that it act as a lever for deeper structural transformation of Italian society.[47]

The speech attracted considerable attention and helped catalyse a broader debate. Giorgio Amendola, the leading voice of the PCI's moderate wing, responded by further emphasising the dangers of inflation and calling for even harsher measures than those introduced by the government. From his perspective, the working class should accept the sacrifices demanded by the emergency without any expectation of compensation. Restrictive measures were a necessity and an end in themselves; by embracing them, workers would be performing the role of a new national hegemonic force.[48] Yet these views only attracted limited support within the party. According to Luciano Barca – an economic expert and a close associate of Berlinguer – the most significant aspect of the secretary's speech was rather the fact that 'for the first time' he had 'squarely raised the question of intervening on the demand side in order to transform its *quality*'. Berlinguer, he noted, had spoken 'of austerity not as retrenchment and productive stagnation, but as "an opportunity and a condition for a more just, more rational, and more efficient ordering of the entire structure of the economy and society"'.[49]

It was increasingly evident, however, that the PCI was in an awkward bind: supporting the government without joining it, the party became associated with restrictive measures that were unpopular among its base. The PCI thus had to demonstrate its reliability as a responsible national force, differentiate its programme from that of the Andreotti government and continue to press for a more direct role in policy-making. It was in this difficult context that Berlinguer made his most consequential interventions on the theme of austerity. In two speeches delivered in January 1977 – later seen as defining moments in his political legacy – he sought to articulate a distinctly communist approach to economic rigour, distinguishing it from conservative interpretations.[50]

Austerity, he argued, was 'unavoidable' but also 'a condition of salvation for the peoples of the West'. Depending on its content and its direction, it could be used 'either as an instrument of economic depression, political repression, and the perpetuation of social injustice, or as an opportunity for a new kind of economic and social development'. It could not, therefore, be regarded as 'merely an instrument of economic policy to be used in order to overcome a temporary, cyclical difficulty'.[51]

For Berlinguer, austerity had become a necessity above all because of 'the entry onto the world stage of peoples and countries that were formerly colonial . . . two-thirds of humanity who will no longer tolerate living in conditions of hunger, misery, marginalisation, and inferiority'. He regarded this shift as both positive and irreversible and saw it expressed economically in the rising cost of energy and raw materials. Combined with the mounting pressure of organised labour for higher wages, this had,

[46]'La relazione e le conclusioni del compagno Enrico Berlinguer al Comitato centrale del PCI del 18-20 ottobre 1976', accessed 21 Feb. 2026, https://enricoberlinguer.fondazionegramsci.org/scheda-scritti/IT-GRAMSCI-HIST0134-0000105.

[47]Ibid.

[48]'Il dibattito al Comitato centrale e alla CCC', *l'Unità*, 20 Oct. 1976; Giuseppe Vacca, *Tra compromesso e solidarietà. La politica del PCI negli anni'70* (Rome: Editori Riuniti, 1987), 95–9.

[49]Luciano Barca, *Cronache dall'interno del vertice del Pci. Con Berlinguer*, vol. 2 (Soveria Mannelli: Rubbettino, 2005), 658.

[50]The importance of this theme is recognised by critics and supporters alike. See, respectively, Miriam Mafai, *Dimenticare Berlinguer: la sinistra italiana e la tradizione comunista* (Roma: Donzelli, 1996), 49–51; Guido Liguori, *Berlinguer rivoluzionario: il pensiero politico di un comunista democratico* (Roma: Carocci, 2014), 114–19. See also Enrico Berlinguer, *La via dell'austerità* (Roma: Edizione dell'Asino, 2014); Giulio Marcon, *Enrico Berlinguer: l'austerità giusta* (Milano: Jaca Book, 2014).

[51]Enrico Berlinguer, *Austerità occasione per trasformare l'Italia* (Rome: Editori Riuniti, 1977), 13–14.

https://doi.org/10.1017/S0960777326101672 Published online by Cambridge University Press

in his view, unsettled the balance of post-war Western capitalism, particularly its ability to generate profits sufficient to sustain social redistribution. These converging pressures, he argued, made socialist solutions newly urgent. By contrast, the conservative conception of austerity rested on an absurd demand: 'to preserve the consumerism that had characterised Italy's economic development over the past twenty to twenty-five years, while at the same time lowering wages'. What was needed, instead, was to 'abandon the illusion that development can be sustained through the artificial expansion of individual consumption, which only produces waste, parasitism, privilege, the squandering of resources, and financial disorder'.[52]

The answer, for Berlinguer, lay in a national economic policy founded on principles of planned austerity: a programmed reallocation of resources designed to prioritise social goods over private consumption. This also entailed rationalising a system of public spending permeated by Christian Democratic clientelism and redirecting investment to productive uses such as agricultural modernisation and industrial reconversion, especially in southern Italy. Economic and financial recovery, expanded social services and a new kind of development were the rewards for which workers were expected to 'responsibly' accept sacrifices by moderating their monetary demands. Thus, the struggle against inflation and fiscal and external imbalances was framed as inseparable from addressing the structural obstacles and inequities that burdened Italy's economy.

This proposal sparked a wide-ranging debate that continues to engage Italian historiography. Some scholars have pointed to possible Catholic influences on Berlinguer's thought, while others have stressed how his view of private consumption clashed with a society that had reached 'mature' levels of consumerism and was becoming increasingly individualistic.[53] Christian Democrats, unsurprisingly, acknowledged the necessity of austerity but rejected any connection to a Marxist vision of social transformation.[54] Criticism also came from the extra-parliamentary Left, hostile to the PCI, which was theorising a generalised 'right to luxury' while staging politically motivated 'proletarian expropriations' – raids on shops and supermarkets.[55] More broadly, public opinion tended to conflate Berlinguer's project with the uninspiring record of the Andreotti government, reading it as a sign of the PCI's excessive accommodation and its readiness to trade working-class sacrifices for a greater role in government. This perception found vivid expression in a December demonstration of industrial workers, co-organised by the pro-communist trade unions but critical of both the government and the PCI.[56]

For the purposes of this article, it is worth noting both the similarities and the differences between Berlinguer's project and other left-wing approaches to austerity. Berlinguer's proposal took shape in the midst of an economic manoeuvre that epitomised an emerging international logic of discipline and anti-inflationary stabilisation.[57] The communist leader aimed to give new meaning to policies already in place, which were inevitably unpopular among his constituencies, while exerting pressure on the Christian Democratic government. Notably, the austerity he advocated bore no relation to concerns about the environment, population or natural resources (neither *Limits to Growth* nor the left-wing austerity projects discussed so far were mentioned in his speeches).[58] Instead, Berlinguer's

[52]Ibid., 15–18.

[53]For an authoritative synthesis, see Paolo Capuzzo, 'Trasformazioni postindustriali e consumi', in *Il comunismo italiano nella storia del Novecento*, ed. Silvio Pons (Rome: Viella, 2021), 592–6. See also Silvia Pizzirani, *Il consumo è una cosa seria. Storia politica e culturale degli anni Settanta* (Milan: FrancoAngeli, 2025), 82–6.

[54]See the reaction of the Christian Democratic daily: Mario Angius, 'Il "progetto" comunista, *Il Popolo*, 16 Jan. 1977.

[55]Luca Falciola, *Il movimento del 1977 in Italia* (Rome: Carocci, 2015).

[56]See the debate within the PCI Directorate: Direzione, 7 dicembre 1977, mf. 309, 85 ff., Fondazione Gramsci, Rome, Archivio del Partito Comunista.

[57]Alasdair Roberts, *The Logic of Discipline: Global Capitalism and the Architecture of Government* (Oxford: Oxford University Press, 2011).

[58]See Grazia Pagnotta, 'Il rapporto con la cultura ecologista e con gli ambientalisti', in *Il comunismo italiano nella storia del Novecento*, ed. Silvio Pons (Rome: Viella, 2021), 545–6. For a different view, see Audier, *L'âge productiviste*, 651–3.

https://doi.org/10.1017/S0960777326101672 Published online by Cambridge University Press

was a critique of post-war capitalism and its ability to guarantee national and international stability. While acknowledging the seriousness of inflation, he dismissed interpretations that attributed it chiefly to rising labour costs and instead emphasised the necessity of structural explanations and remedies. The economic crisis could thus be seen as an opportunity to build a more just society: in Italy, through the Communist Party's closer involvement in government, and globally, through a reorganisation of the economic order that took into account the grievances of developing countries. Planning was once again identified as the key instrument for applying a new rationality to production and consumption, both nationally and internationally.

At the same time, Berlinguer's vision of a better society was shaped by a humanistic outlook, in tune with other contemporary thinkers. Rejecting accusations of asceticism, he cited Vietnamese Prime Minister Phạm Văn Đồng:

> man was made to be happy; but to be happy it is not necessary to own a car . . . . Beyond a certain material threshold, material things matter very little; life then centres on its cultural and moral dimensions. We want our lives to be complete, multifaceted, rich, and full – a life in which human beings can express all their true values.[59]

This approach facilitated the international circulation of his ideas, especially among the non-communist left. *Faire*, the leading review of the French Socialist Party's *deuxième gauche*, gave his intervention prominent coverage and published extensive translated excerpts.[60] Delors's Échange et projets, for its part, would later describe its notion of 'frugal abundance' as 'a French, ecologically inflected version of the "revolutionary austerity" promoted by the Italian Communist Party'.[61]

The Predicament of Planning: Jan Tinbergen and Gunnar Myrdal

Given how central planning was to the thinking of Mansholt, Delors and Berlinguer, it is fitting to conclude this *tour d'horizon* by turning to two social democratic economists who played a pivotal role in shaping and spreading a culture of national and international planning – the Nobel laureates Jan Tinbergen and Gunnar Myrdal.

A leading figure of post-war social democratic economics, active both in his native Netherlands and within international organisations, Tinbergen had, notably, been selected to chair the UN Committees for the First and Second Development Decades.[62] Bridging the worlds of international organisations and European socialism, in the late 1960s he launched a *World Plan Council* within the Socialist International, designed to coordinate European socialists' initiatives on North–South relations.[63] As he put it, 'since the poverty of the masses in Asia, Africa, and Latin America far surpasses the remaining pockets of poverty in the developed countries, it is only fair that the world's social problem should receive the highest priority'. Social democrats should 'be in the front ranks' in giving their full support to the UN strategy, 'since the principles of international solidarity and a planned policy have always been ours'.[64]

Yet the *Limits to Growth* debate led him to question his confidence in the capacity of planning to reconcile growth and equity. His reflections upon reading the MIT study closely mirrored those of his associate Sicco Mansholt, on whom he had, in fact, exerted a profound influence:

[59] Berlinguer, *Austerità Occasione per trasformare l'Italia*.

[60] 'Brandir le drapeau de l'austérité?', *Faire*, 17 Mar. 1977.

[61] Échange et projets, *La revolution du temps choisi*, 106.

[62] See Erwin Dekker, *Jan Tinbergen (1903–1994) and the Rise of Economic Expertise* (Cambridge: Cambridge University Press, 2021).

[63] Christian Salm, *Transnational Socialist Networks in the 1970s: European Community Development Aid and Southern Enlargement* (Basingstoke: Palgrave Macmillan, 2016), 56–93; Di Donato, *Le socialdemocrazie in transizione*, 109–12.

[64] 'Socialist Priorities for the Second Development Decade – By Jan Tinbergen', 16 Apr. 1969, International Institute of Social History, Amsterdam, Socialist International Archives, box 414.

https://doi.org/10.1017/S0960777326101672 Published online by Cambridge University Press

> The challenge of underdevelopment and the environmental challenge are indissolubly linked, and this creates a dilemma, particularly for Socialists. On the one hand, for reasons of human solidarity and also to help create conditions for a peaceful and stable world, we consider it essential to remove poverty by promoting development. On the other hand, this very development will lead, if the present types of policy are pursued, to the increased population growth, exhaustion of raw materials and pollution which we surely cannot regard as desirable.[65]

In 1974, at the invitation of the Club of Rome, Tinbergen assumed leadership of the Reshaping the International Order (RIO) project, coordinating a team of experts tasked with formulating practical responses to the calls for a New International Economic Order.[66] Published in 1976, the RIO Report retained the systemic perspective of *Limits to Growth* but placed greater emphasis on global inequality, portraying two worlds divided by a 'poverty curtain':

> In the rich world, there is concern about the quality of life; in the poor world, about life itself, which is threatened by disease, hunger, and malnutrition. In the rich world, there is concern about the conservation of non-renewable resources, and learned books are written about how the world should be kept in a stationary state. In the poor world, there is anxiety not about the depletion of resources, but about their exploitation and distribution – for the benefit of all mankind rather than a few privileged nations.[67]

At the same time, the report underscored the fundamental 'planetary interdependencies' linking North and South – interconnections that made it impossible to address the ongoing crises in isolation. Issues of food, energy, natural resources, the environment and inequality were all part of a single global equation requiring shared and systemic solutions. In this vein, the report presented a critique of Northern overconsumption organised around three key dimensions. These concerned, first of all, the devastating impact of excessive consumption on the environment and natural resources, and its role in worsening poverty in the South by diverting vital means of survival ('rich countries', it noted, 'allocate more grain to feeding livestock than is consumed as food by the vast population of the poor world, and inevitably, the international market for animal feed generates greater economic interest than that for food destined for hundreds of millions of hungry men, women, and children'). Finally, the report added a moral dimension. The authors argued that the attempt to construct 'a new world' could not be based 'upon the exclusive philosophy of economic growth and material riches', as the experiences of the affluent countries showed 'that even unparalleled economic growth does not necessarily lead to increased social equality and increased power sharing'. 'Preoccupation with growth', they concluded, 'may be morally and ethically corrupting; . . . fundamental human values may be endangered by the philosophy underlying the mania to consume'.[68]

To address these problems, RIO called for a redefinition of progress in terms of 'social profitability' rather than limitless expansion, for democratic oversight of technological change and for more restrained and responsible patterns of consumption linking resource savings to international cooperation. Emphasising the principle of planetary interdependence, the report also urged a profound rethinking of national sovereignty, proposing the combination of centralised policy-making with decentralised operational capacity – a model it described as 'decentralised planetary sovereignty'. Its technocratic orientation could hardly have been more explicit.

[65] Ibid., 'World Plan Council of the Socialist International. Revised Proposals', Mar. 1972.

[66] Jan Tinbergen et al., *RIO: Reshaping the International Order: A Report to the Club of Rome* (New York: New American Library, 1977). See also Bo Stråth, *The Brandt Commission and the Multinationals: Planetary Perspectives* (New York: Routledge, 2023), 104–7; Stephen Macekura, 'The Growth Debate, North–South Politics, and the Fate of Environmental Internationalism in the 1970s', *Diplomatic History* 49, no. 3 (2025), 371–391.

[67] Tinbergen et al., *RIO*, 19.

[68] Ibid., 74–5.

https://doi.org/10.1017/S0960777326101672 Published online by Cambridge University Press

If Tinbergen's trajectory illustrates how social democratic planning confronted the new language of planetary limits, Gunnar Myrdal's work sheds light on a related but distinct effort. Myrdal has been described as 'the twentieth century's most influential social democratic internationalist'.[69] In the 1930s, together with his wife Alva, he was among the makers of the Swedish welfare state. He later gained international prominence with his research on US race relations and his work in national and international post-war planning – notably as the executive secretary of the United Nations' Economic Commission for Europe. From the mid-1950s onwards, his research increasingly concentrated on problems of development and their relationship with national welfare systems. In *Beyond the Welfare State* (1960), *The Challenge of World Poverty* (1970) and several other studies, he expounded the idea of an 'internationalisation of welfarism' involving 'both postcolonial states adopting the welfare state as their model for domestic economic policy and the creation of a welfare world that expanded and supplemented welfare states at the international level'.[70]

By the 1970s, however, welfarism was coming under mounting strain, both at home and abroad, and questions already considered in this article – ranging from inflation and North–South relations to environmental limits and the use of natural resources – assumed an ever more central place in Myrdal's thinking.[71] Compared with others, his approach stood out for its attention to the political dimension, and thus to the feasibility of reform programmes, the willingness of governments to pursue them and the challenge of securing social consent. Overall, what emerged was a disenchanted, if not openly pessimistic assessment.

The first issue to be considered is that of inflation. Myrdal argued that post-war economists, still shaped by Depression-era concerns, underestimated inflation and failed to warn against it. Governments had expanded expenditures without imposing sufficient taxation, thereby allowing private consumption to grow unchecked. Over time, institutional dynamics such as wage and benefit indexation and the relative weakness of consumer interests against organised producers, reinforced what he called a 'cumulative and accelerating' inflationary process. Stagflation then emerged as efforts to check inflationary dynamics through credit restrictions or monetary tightening produced unemployment and stagnation, which further increased social inequalities.[72]

For Myrdal, overcoming this impasse required restoring fiscal balance by aligning public expenditure with taxation, rather than relying on inflationary financing. Central to this was a reordering of consumption patterns. 'If a nation wants public services', he argued, 'it [should] be prepared to scale down its demand for private consumption, particularly of a lot of industrial products that are less necessary in comparison with the public consumption demand'. Was there, however, consensus for such policies? His view was negative:

> There is at present great unanimity that the 'quality of life' shall be raised, but no group and few individuals are prepared to abstain, in order to reach that goal, from wanting to raise their consumption. They are all involved in a fierce competition and a striving for compensation that makes the space for the quality of life ever narrower. These same attitudes of people in all social classes are driving forces behind inflation . . .[73]

[69]Maribel Morey and Jamie Martin, 'Introduction', *Humanity: An International Journal of Human Rights, Humanitarianism, and Development* 8, no. 1 (2017): 127.

[70]Adom Getachew, *Worldmaking After Empire: the Rise and Fall of Self-Determination* (Princeton: Princeton University Press, 2019), 161. See also the special issue of *Humanity: An International Journal of Human Rights, Humanitarianism, and Development* 8, no. 1 (2017); Marianne Johnson, 'Swedish Intellectual Thought on Inequality and a "Welfare World"', *Global Intellectual History* 9, no. 1–2 (2024), 81–96. More in general, see William J. Barber, *Gunnar Myrdal: An Intellectual Biography* (Basingstoke: Palgrave Macmillan, 2007).

[71]See Simon Reid-Henry, 'From Welfare World to Global Poverty', *Humanity: An International Journal of Human Rights, Humanitarianism, and Development* 8, no. 1 (2017), 207–224.

[72]Gunnar Myrdal, 'Stagflation', in Gunnar Myrdal, *Against the Stream: Critical Essays on Economics* (London-Basingstoke: Macmillan, 1975), 17–32.

[73]Ibid., 31.

https://doi.org/10.1017/S0960777326101672 Published online by Cambridge University Press

These issues were closely tied to the contemporary debate on environmental limits to growth. Myrdal was sharply critical of the MIT study, faulting both its choice of data and its reliance on a 'world simulation model' that, he argued, lacked consistency and excluded crucial dimensions – above all 'the enormous and increasing differences and inequalities within countries and still more between countries'.[74] Nonetheless, as he pointed out in his speech for the Distinguished Lecture Series organised for the 1972 UN Conference on the Human Environment, he had 'become convinced that we must finally recognize and prepare for the fact that there are limits to a growth whose component elements all follow an exponential curve'.[75] His perspective was clear: the debate on environmental limits could not be separated from the question of global inequality. Broad pronouncements on resource depletion were meaningless unless they confronted the fact that a small minority in developed countries consumed the overwhelming share of the world's natural resources, often at the direct expense of undernourished populations in poorer regions. Any serious discussion of limits to growth, he insisted, had to clarify whether it assumed a redistribution of resources to allow these regions to develop, or whether it tacitly accepted the perpetuation of the status quo. In practice, according to Myrdal, the latter assumption prevailed, even among those advocating a 'global' approach.

At the national level, too, Myrdal doubted the political prospects for a genuine reorientation of growth. Although awareness of environmental dangers was spreading, societies remained firmly attached to rising incomes and consumption, with little willingness to accept the costs or restraints implied by ecological reform. Without a readiness to scale down consumption in developed countries, Myrdal concluded, neither the protection of the environment nor greater global equality could be realistically achieved. Top-down planning was not an option either. 'When it comes to regulating individual behavior of ordinary people', he commented, 'there are limits as to what the government can do both in the costs implied in policing the regulations and in the acceptance by those being controlled'.[76] This scepticism was reflected in his appraisal of Sicco Mansholt's initiatives, which he ridiculed as amounting to 'building a castle in the air':

> I am an old planner, with the roots of my thinking firmly in Enlightenment philosophy and, in particular, the thinking of the early socialists in France and England, whom Marx later called 'utopian.' But experience and study have taught me the very narrow limits for effective planning and plan-implementation in our type of national communities. Even stopping inflation and restoring a stable value to our currencies seems at present an unrealistic goal for planning.[77]

Prospects for a worldwide cooperation 'to protect and improve our environment', he concluded, 'do not appear bright'. Far from being cynical, however, Myrdal's reflections were marked by a tragic undertone, stemming from the profound gap between the forms of international planning he deemed just and necessary and those he saw as realistically achievable within the prevailing political and social context.

This theme appeared most prominently during his Nobel Lecture of March 1975, which he dedicated to the 'equality issue in world development'. In the speech, Myrdal expressed his 'deep sympathy' with those advocating 'a much more frugal life style' in the industrialised countries. 'Real economic planning should be done in these rational terms', he argued, which could help tackle inequality problems both domestically and on a global scale, preventing 'serious risk of human disasters for the majority of the poorest peoples . . . . The blunt truth is that without rather radical changes in the

[74] Gunnar Myrdal, 'Limits to Limits to Growth', *The UNESCO Courier* 26, no. 1 (1973): 13. See also Myrdal's interview in Willem Oltmans, *On Growth* (New York: Capricorn Books, 1974), 233–9.

[75] Gunnar Myrdal, 'Economics of an Improved Environment', in *Who Speaks for Earth?*, ed. Barbara Ward et al. (New York: Norton, 1973), 70.

[76] Ibid., 93–4.

[77] Ibid., 99.

https://doi.org/10.1017/S0960777326101672 Published online by Cambridge University Press

consumption patterns in the rich countries, any pious talk about a new world economic order is humbug.'[78]

Such rational policies, however, were unlikely to be implemented in practice. Economists could outline what should be done, but that did not mean governments would follow. 'In the tradition of Western civilization', he quipped, 'we are quite well trained to combine base behavior with high ideals'. The reaction of developed countries to the crisis of the 1970s revealed this contradiction all too clearly. Faced with stagflation, balance-of-payments pressures and domestic unemployment, they turned inwards, prioritising short-term national stability over global redistribution. In such conditions, proposals for curbing consumption or redirecting resources towards egalitarian reform had little political appeal. People 'don't want to be reformed, even in their own interest', Myrdal remarked, noting that entrenched habits, vested interests and market pressures all worked to sustain the pursuit of 'more of the same type of consumption'.[79]

The only bridge left across the gulf separating the measures Myrdal deemed necessary from those he saw as realistically attainable was an appeal to moral and humanitarian arguments. If structural reforms of the economic order proved impossible, one could at least envisage increasing the flow of aid and direct transfers from North to South – a policy 'ordinary people' could support, provided it was sustained by 'a motivation in moral terms'.[80] As Simon Reid-Henry has noted, this reasoning rested on a parallel with the creation of welfare states, which Myrdal increasingly described as rooted in an idea of 'solidarity with people in distress'. This, however, 'required Myrdal to gloss over the history of political struggle that enabled the Swedish welfare state in the first place', downplaying its crucial elements of self-interest and social mobilisation.[81] As time would soon reveal, humanitarian appeals alone were indeed far too fragile a foundation for a politics of equality.[82]

Conclusion

This article has examined different articulations of a politics of austerity and sacrifice emerging from the West European Left in the 1970s. These projects advanced distinct combinations of spending and consumption controls, inspired by planning models conceived at national, global and even planetary scales. At their core lay the question of interdependence, a defining concern of the decade. For some, the 'shock of the global' could generate a virtuous circle linking progressive transformation at home and abroad. Others, such as Gunnar Myrdal, feared the opposite: a drift towards national retrenchment and North–South conflict. Despite their differences, these projects converged on the belief that Western societies required not merely economic adjustment but also a broader moral regeneration, for which the labour movements were often regarded as indispensable interlocutors. 'Austerity' and 'frugality', as conceived by Berlinguer and by Delors and his associates, were thus framed as catchwords denoting a comprehensive project of societal transformation.

The environmental question was closely intertwined with debates on growth and global inequality. Consumption – until recently a symbol of working-class emancipation – was increasingly portrayed as a source of imbalance and waste.[83] For left-wing parties, the challenge was to promote restraint without reproducing the paternalism long associated with conservative elites. This amounted to

[78]Gunnar Myrdal, *The Equality Issue in World Development*, Lecture to the memory of Alfred Nobel, 17 Mar. 1975, accessed 21 Feb. 2026, https://www.nobelprize.org/prizes/economic-sciences/1974/myrdal/lecture/.

[79]Ibid.

[80]Ibid.

[81]Reid-Henry, 'From Welfare World to Global Poverty', 218–19.

[82]See Samuel Moyn, *Not Enough: Human Rights in an Unequal World* (Cambridge: Belknap Press of Harvard University Press, 2019).

[83]Alexia Blin, *À l'assaut de l'abondance. Socialisme et consommation: Du XIXe Siècle à nos jours* (Paris: Presses Universitaires de France, 2025).

https://doi.org/10.1017/S0960777326101672 Published online by Cambridge University Press

searching for new, more rational forms of *social* consumption geared to an interdependent and fragile world. The logic of the plan, in this sense, experienced its swan song: an attempt to internationalise its rationale precisely as its national foundations began to erode.

These initiatives were fundamentally at odds with the tenets of neoliberal austerity. Nevertheless, their history unfolded in close relation to the neoliberal turn they ultimately confronted. Fritz Bartel has argued that the 1970s marked a turning point between a politics of *making promises* – typical of the early Cold War competition between capitalism and socialism over development and welfare expansion – and a politics of *breaking promises*, shaped by the energy crisis, financial globalisation and the imperatives of economic discipline. It was in this context that neoliberal solutions took hold and Western capitalism consolidated its Cold War success.[84] Yet, the actors discussed here confronted the same challenges by advancing an alternative to conservative economic stabilisation: a planning-oriented vision directed towards egalitarian aims. It would therefore be too simplistic to associate the Left merely with unrealistic politics of social spending, no longer viable in a transformed economic context. What is at stake, rather, is the recovery of a political debate over who should make which sacrifices, and to what end. To put it differently: 'left-wing austerians' took inflation and fiscal imbalances very seriously, but their approach diverged sharply from that of the rising neoliberal and monetarist camp, which would eventually prevail and shape stabilisation policies from the late 1970s onwards. The latter sought to insulate economic policy-making from social and political pressures by deploying instruments – ranging from independent central banks committed to tight monetary targets to the conditionality imposed by international financial institutions – that enforced discipline from the outside and presented the economy 'as a "neutral" non-political realm.' Left-wing austerity, by contrast, hinged on an 'open politicisation of the economy' and aimed to mobilise social actors in debates and negotiations over the quality and purposes of economic activity, as well as the distribution of its benefits and the burdens of adjustment.[85]

The model that ultimately prevailed was very different. Inflation in industrialised countries was contained, but through measures far from egalitarian. These affected individual consumption only indirectly – through deindustrialisation and rising unemployment – while simultaneously undermining labour power and curtailing social services and collective consumption. Ideas of frugality or voluntary austerity grew increasingly out of step with the dominant public ethos. Demand for planning declined sharply after the 1970s, and even environmental protection in subsequent decades came to rely increasingly on market incentives and compatibilities, recast under the label of 'sustainable development'.[86] The NIEO coalition fractured, and the developmental optimism of the post-war era gave way to the 'lost decade' of the 1980s, dominated by crisis and by structural adjustments inspired by the 'Washington Consensus'.[87]

In spite of their failure, left-wing austerity projects deserve more than the proverbial condescension of posterity. The dilemmas articulated in the 1970s remain unresolved, often in sharper form – above all, the sustainability of consumption and growth in an unequal world, now rendered increasingly urgent by the climate crisis. The post-2008 wave of neoliberal austerity has revived debates on fiscal and social retrenchment as political choices rather than technical necessities, and on the search for viable alternatives. These, it could be argued, still hinge on the very equation that left-wing forces

[84]Bartel, *The Triumph of Broken Promises*.

[85]Stefan Eich and Adam Tooze, 'The Great Inflation', in *Vorgeschichte der Gegenwart: Dimensionen des Strukturbruchs nach dem Boom*, ed. Anselm Doering-Manteuffel, Lutz Raphael and Thomas Schlemmer (Göttingen: Vandenhoeck & Ruprecht, 2016), 184–5. See also Quinn Slobodian, *Globalists: The End of Empire and the Birth of Neoliberalism* (Cambridge, MA: Harvard University Press, 2018).

[86]Elke Seefried, 'Rethinking Progress: On the Origin of the Modern Sustainability Discourse, 1970–2000', *Journal of Modern European History* 13, no. 3 (2015), 377–400.

[87]See Garavini, *After Empires*; Sara Lorenzini, *Global Development: A Cold War History* (Princeton: Princeton University Press, 2019).

https://doi.org/10.1017/S0960777326101672 Published online by Cambridge University Press

struggled to solve in the 1970s: how to reconcile social progress, national economic stability, global interdependence and environmental sustainability – and to secure electoral and social support for such a programme.

Acknowledgements. The author wishes to thank the anonymous reviewers for their careful reading of the manuscript and their insightful comments and suggestions.

Cite this article: Michele Di Donato, "The Left-Wing Case for Austerity: Planning and Consumption Restraint in 1970s Europe," *Contemporary European History* (2026): 1–19, https://doi.org/10.1017/S0960777326101672.

https://doi.org/10.1017/S0960777326101672 Published online by Cambridge University Press