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Adapting to the market: leftist ideological justifications of liberal economic policies, 1977–1986

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ABSTRACT

Why do leftist forces accept, support and adopt free-market policies? To answer this question, we carry out a comparative study of left-wing groups (both parties and trade unions) in France, Italy and Spain during the late 1970s and the early 1980s. This period is widely acknowledged in international political economy to have represented a paradigm shift from post-war Keynesianism to neoliberal policy-making. We employ in-depth content analysis of memoirs, interviews to the press, opinion articles and policy-papers to explain actors' positions on landmark policies implemented during such transition. In alignment with a developing literature in political economy (e.g. Mudge 2018), we find a proactive role of progressives in developing the ideological justification for the resort to liberal policies. However, we emphasise that widespread consensus among so-called progressives, rather than a leading role of technocrats or party experts, best explains such shifts. In this way, the paper casts doubts on interpretations of the liberalisation process that place excessive emphasis on the role of external constraints as well as on elite power. Drawing on Hall (1993), we argue that left-wing forces in the early 1980s have enacted a 'second order change', whereby policymakers use new instruments to meet existing policy objectives.

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Introduction

The study of International Political Economy (IPE) is often focused on moments of transition, paradigm changes and ideological shifts. While we arguably live today in one such moment (characterised by high inflation as well as uncertainty linked to the war in Ukraine and broader geopolitical tensions) the passage between post-war Keynesianism and the so-called neoliberal period remains the prominent reference from which most IPE work derives its analytical frameworks. Such a moment of transition has been widely understood as one in which organised capital responded to labour organisations and representatives – which during the late 1960s had acquired increasing power – by fostering a change in the dominant policy-paradigm towards austerity, liberalisation and decreasing social protection. This interpretation has its own variants – from the increasing role of finance (Duménil and Lévy 2004), to the ascendance of technocratic elites (Cozzolino 2021), to the role played by the New Right in the UK and the US in initiating a change that was later reproduced worldwide (Harvey 2007). What all these approaches share is the understanding of labour organisations and leftist groups as passive observers (if not victims) of the paradigm shift.

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A developing scholarship in IPE, however, has emphasised the prominent role played by left-wing political parties, unions and social movements in supporting the transition to neoliberalism (Mudge 2018, Ferragina and Arrigoni 2021, Fifi 2023). While historical accounts had long recognised this issue empirically, this has seldom been translated theoretically into IPE understandings of this paradigm shift. The present paper argues that consensual dynamics are more important than usually acknowledged. To prove this, we consider the cases of France, Italy and Spain in their passage from post-war Keynesianism towards increasing reductions of social protection. Analysing key reforms associated with the paradigm shift of the late 1970s-early 1980s, we find that the Left – encompassing both parties and trade unions – was not forced into a compromise to accept reductions in social protections. On the contrary, it proactively formulated the ideological justifications to support them. In all three countries the fight against high inflation and excessive spending was portrayed as a means of reducing inequalities between ‘sheltered’ groups and sectors *vis-à-vis* market outsiders. Drawing on Hall (1993), we argue that left-wing forces in the early 1980s have enacted a ‘second order change’, whereby policymakers use new instruments to meet existing policy objectives. In addition, we find that residuals of Keynesian policy-making were not portrayed as part of a *do ut des* exchange, but rather signal the ‘selectivity’ (Ferragina and Arrigoni 2021) of the neoliberal turn. The article suggests that the concept of ‘selective neoliberalism’ (Ferragina and Arrigoni 2021), originally intended to analyse the Italian case, can be applied more broadly to Leftist trajectories in Western Europe. Our findings ultimately align with the literature that has emphasised the decreasing emphasis on social protection from mainstream parties in Western democracies (e.g. Ferragina *et al.* 2022).

The paper is structured as follows. First, we engage with the literature on the social-democratic transition to neoliberalism emphasising that, similarly to the broader literature in IPE, it has generally underplayed the broad proactive role played by leftist groups in supporting the reduction of social protection. We propose ‘second order change’ as a better conceptualisation of the shift in left-wing policy-priorities. We then analyse the position of left-wing groups in France, Spain and Italy *vis-à-vis* key reforms during the period between 1976 and 1986. In the last section, we discuss our findings and integrate the theoretical framework with the empirical evidence.

Liberalisation of left-wing parties as a ‘second order change’

Within the rich literature on the adoption of market-liberal policies by left-wing parties in the 1970s and 1980s, the most common explanation focuses on the external constraints to social democracy. The 1970s witnessed a sustained challenge to the post-war model of welfare capitalism that social democrats had played a key part in building (Glyn 2001, Callaghan *et al.* 2009). Increasing capital mobility as well as the loss of competitiveness brought about by sustaining higher inflation rates than trade partners forced governments to adopt anti-inflationary policies (McNamara 1998, Glyn 2001, Fourcade-Gourinchas and Babb 2002). Those governments that attempted to embark on an expansionary response to the crisis, such as France between 1981 and 1983, were soon forced to adopt a policy U-turn due to financial speculation on their currencies (McNamara 1998, Fourcade-Gourinchas and Babb 2002).

Despite these objective exogenous constraints, the commitment of social democratic parties to precepts of balanced budgets, labour market liberalisation and inflation control seemed to result from active political choices rather than market pressures. This is illustrated by the variety of reform trajectories of left-wing governments in this period. The UK’s Labour government between 1974 and 1978 tried to adapt to the post-Bretton Woods environment while retaining some of the overarching aims of their Keynesian programme (Bremer 2023). Even Sweden, which adopted some ‘third way’ measures such as credit deregulation, maintained its commitment to full employment until 1991 (Ryner 2002). Those governments that embarked on a path of permanent austerity therefore did not have their paths dictated for them, as the exogenous constraints thesis argues, but made active choices in this direction. More broadly, the process of liberalisation, while having a clear origin in the crisis of the late 1970s, in most Western countries resembled a constant and progressive

adaptation from left-wing groups (Mudge 2018, Ferragina and Arrigoni 2021, Fifi 2023), more than a contingent, crisis-ridden response.

A recent strand of the literature has highlighted the role played by the changing profile of party economists in bringing about changes in party policies. As traditional Keynesian party economists saw their ideas delegitimised by the crisis of the 1970s, they lost ground to orthodox economists defending supply-side over demand-driven solutions (Ban 2016, Mudge 2018). However, these accounts do not explain the swift conversion of key political figures – including previously staunch Keynesians such as Pierre Bérégovoy and Laurent Fabius (in France), or Joaquín Almunia (in Spain) – to balanced budgets or inflation control. This is all the more striking in that there was not an explicit attempt to legitimise these policies in light of an overarching ideological project, in contrast to Tony Blair or Gerard Schröder's Third Way, which defined its policies in response to phenomena such as 'globalisation' or 'Europeanisation' in the 1990s (Hay 1999, Hay and Rosamond 2002). Some accounts have argued Left wing parties pursued liberal policies for progressive ends – such as breaking entrenched financial interests – but this has been confined to the area of financial deregulation (Cioffi and Höpner 2006).

In contrast to these explanations, we argue that left parties saw a broad array of market liberal reforms as means to reach social democratic objectives at a time when Keynesian solutions appeared to have stopped working. The argument that leftist actors embraced markets as a means to fulfil Socialist goals has been made by Bockman (2011) in the cases of Hungary and Yugoslavia, where reforms in the 1960s were seen as means to implement an ideal 'market socialism', and by Gingrich (2011) with regard to welfare state reforms in the UK, Netherlands and Sweden. We argue that this idea of 'markets as instruments' for Leftist goals can be extended to the broader economic policy of left-wing governments in Spain, France and Italy in response to the crisis of the 1970s. External constraints such as the economic crisis and increasing trade and financial integration pushed left-wing parties to reconsider the instruments they had traditionally used to fulfil their policy objectives, such as stimulating demand through public spending. However, the objectives themselves remained progressive in orientation. We draw here from Hall's (1993) concept of 'second order changes', whereby policymakers use new instruments to meet existing policy objectives, as opposed to a 'third order change' where policymakers change the normative assumptions underpinning their policies. In a context of crisis, the traditional social democratic goal of employment creation was seen as best tackled through labour market deregulation. Redistribution was reconceptualised in light of increasingly tight state budgets: social security reforms were seen as a means to free resources to create a more universalistic, as opposed to contributions-based, system (in Spain) or limit the potential for clientelistic spending (in Italy). This approach squares better with the evidence of long-term convergence of leftist parties towards neoliberalism than theories emphasising contingent crisis-management. The characterisation of the transition from Keynesianism to neoliberalism as a second order change may seem counterintuitive, given its usual depiction as a paradigm change. Indeed, Hall's illustration of third order change in the UK is the moment where 'inflation replaced unemployment as the preeminent concern of policymakers' (Hall 1993, p. 284). However, as we shall see, left-wing parties did not see inflation control as an *end* in itself, but as a *means* to defend the wages and savings of low-income constituents as well as to fight unemployment. Ultimately, left-wing groups were not passive and unwilling executors of business-driven policies, nor should they be conceptualised as 'surrendering' to the orthodox viewpoints of internal party experts, but adopting new instruments to tackle traditional social democratic goals. In addition, our paper stresses the proactive role of trade unions in accepting wage restraint as necessary to generate investment and employment as well as Social Security reforms.

It must be emphasised that the shift towards free-market policies has been anything but a uniform process and that liberalisation occurred 'selectively', leaving some policy realms 'sheltered' for longer periods than others (Ferragina and Arrigoni 2021). The main interpretation of this process within the literature is that governments targeted the weaker links first and then, once trade unions had been marginalised, extended liberalisation to more sensitive realms (Ferragina and Arrigoni

2021). The underlying assumption is that labour organisations resisted policies that affected insiders for as long as they could, while making concession on realms that mainly affected outsiders. By contrast, we find that trade unions pro-actively supported liberalisation in economic areas that would affect insiders – such as wage freezes and labour market deregulation – at an early stage. While it is true that progressives requested palliatives to compensate for welfare retrenchment and labour market flexibilisation, they did not see this as a *do ut des* exchange. On the contrary, they understood measures such as wage freezes, labour market deregulation and, in some cases, even the reduction of welfare spending as crucial to cope with the crisis at hand.

In what follows, we investigate the position of the main left-wing political parties and trade unions in France, Spain and Italy during the late 1970s and early 1980s. The countries selected represent key cases to study social democratic adaptation to free-market policies. Within them, the paradigm shift of the early 1980s crucially involved left-wing forces in government. The cases also offer variability which is of interest for the comparative study at hand. While in France and Spain the Socialist parties that led the governments in the 1980s represented majoritarian formations, the Italian PSI, to which the prime minister of the centre-left governments (Bettino Craxi) belonged, fluctuated around 10 percent at the elections. The Italian *Partito Comunista Italiano*, which had similar electoral results to the PSOE and the PS, always remained in the opposition. Spain offers additional variability in terms of its emergence from dictatorship, with much more pressure on democratic parties to conform to the European mainstream and on trade unions to defend worker interests after decades of repression (Royo 2000, Kennedy 2001). The cases also offer interesting variability in terms of the state's capacity to respond to the common external economic constraints described earlier. Thus, while France had the fiscal leeway to leave the welfare state untouched (Levy 2005), Spain and Italy were characterised by more fragile accumulation regimes that meant the state had a lower fiscal and steering capacity to respond to external crises (Caterina and Huke 2021). Differently from the established literature on the topic (e.g. Mudge 2018), we focus on leftist groups broadly defined, rather than separating the role of trade unions and political parties. This has the advantage of highlighting consensus within progressives at large, overcoming interpretations focused on party elites and experts. Through our archival research, we have triangulated evidence from memoirs, parliamentary speeches and debates, declarations to the press and opinion articles of leading figures within the main unions and parties. The online Appendix offers a synthesis of the main policies and events that have characterised the passage from post-war Keynesianism to the neoliberal period within each of the three countries. In order to make the coverage feasible, we have selected four representative policies per country (see the policies marked in **bold** within the online Appendix) in the period 1977-1986.

The Left in transition: making sense of the liberalisation of social-democracy

In what follows we analyse the position of left-wing parties and trade unions on key policies that characterised the transition to neoliberalism within the three selected countries. We show that, with internal differentiations and showing 'selective neoliberalism' patterns (Ferragina and Arrigoni 2021), in all the three case studies the majority of the Left saw the adaptation to free-market policies as a 'second-level change' (Hall 1993). In other words, it saw the fight against inflation and austerity as necessary to achieve its progressive goals (for a similar argument, see Fifi 2023).

France: *rigueur* for competitiveness?

In France, the election of François Mitterrand as President in 1981 was driven by societal discontent with the failure of the previous right-wing Barre government to tackle the crisis through price and wage freezes as well as a tight monetary policy (Boyer 1987). The newly elected Socialist government went for a completely different strategy, promising to increase the minimum wage, as well as to create public sector jobs and nationalise key industries (Hall 1987). However, this attempt at

pursuing expansionary policies at a time when the US, the UK and Germany had raised their interest rates led to France having higher inflation than its trade partners and, consequently, a deteriorating trade deficit forcing three currency devaluations within the EMS (Hall 1987).

As a consequence, Socialists had to quickly renounce most of their anti-market rhetoric. On the 9th of June 1982, Mitterrand publicly announced that the reforms promised during the electoral campaign had to take a halt in order to ensure budgetary consolidation. In the context of the devaluation of the franc and starting with the *Blocage des prix et des revenus* (June 1982), the government engaged in policies that were perceived as contradicting the expectations of its Socialist electorate. The *blocage* consisted in freezing all prices and wages for four months, while ‘public and social budgets will be better controlled.’¹ The government’s idea was to ‘[r]apidly reduce the inflation rate without harming economic growth, and dynamically pursuing the policy of combating unemployment.’² Differently from what we will see in the case of Italy and Spain, French left-wing groups seemed to place great emphasis on the need to match international competition. The secretary of the PS, Lionel Jospin, emphasised that ‘within an international community for which the criterion of success is ... the limitation of the rise of prices and deflation, the franc happens to be a weaker currency than a strong one.’³ While influential accounts (e.g. Fourcade-Gourinchas and Babb 2002) have seen the adaptation to the international economic environment as taking precedence over the reduction of unemployment, evidence suggests that Socialists understood their fight against inflation as a means to fight unemployment (thus, in Hall’s terms, as a ‘second order change’). Bertrand Delanoë, spokesman for the PS, argued that ‘the government has set itself the objective of combating unemployment above all’ and ‘[e]verything must be done to ensure that the gap between the French and foreign inflation rates is as low as possible.’⁴ In order to make wage freezes more palatable, concertation with trade unions was made an integral part of the decision making process. The *Confédération Française Démocratique du Travail* (CFDT) and *Force Ouvrière* (FO) acknowledged that an adjustment of prices had now become unavoidable. According to Pierre Héritier, national secretary of the CFDT, ‘monetary readjustment has become inevitable’, while ‘it must not relegate to the background the fight against unemployment.’ Showing a ‘selective neoliberalism’ attitude, he argued that the government must ‘confirm its commitment to reduce working time to thirty-five hours in 1985.’⁵ Similarly, *Force Ouvrière* declared it had no intention to ‘inhibit the action of the government.’⁶ By contrast, the *Partie Communiste* (PCF) and the *Confédération Générale du Travail* (CGT), which had strong links to the PCF, accepted the need for sacrifices but argued that these had to be concentrated first and foremost on entrepreneurs.⁷

The *blocage* was not enough to stop rising inflation in France, leading to a third currency devaluation in March 1983 accompanied by an austerity plan (a *plan de rigueur*) including increasing taxes and cuts in public spending (Hall 1987). Displaying the contours of a ‘second order change’, French Socialists came to understand the social protection gains made since 1981 as dependent on economic efficiency. Indeed, when announcing the third devaluation on his famous 23rd March 1983 address on national television, Mitterrand stressed the fact that the government had achieved ‘in a few months more reforms, more social advances than France had known for half a century.’⁸ This theme was developed by other key figures within the government. In his April 1983 speech outlining the general contours of economic policy to the *Assemblée Nationale*, Prime Minister Mauroy highlighted that, since 1981, ‘[w]e have brought about a degree of social progress without precedent ... To be sustainable, this social progress has to be accompanied by a healthy economy.’⁹ Other left wing forces generally agreed with the Socialists’ shift in policy priorities. The PCF echoed Mitterrand’s objectives, with leader George Marchais stating that ‘the government has taken the correct route’ and that reducing inflation, the external deficit and unemployment was ‘a national imperative.’¹⁰ Trade unions also agreed with these goals, but disagreed with the methods proposed. These were criticised because they did not focus enough on investment and employment creation, and were fiscally regressive.¹¹ CGT Secretary General Krasucki argued that the measures were ‘absolutely necessary to combat inflation, reduce the external deficit, ensure a good management of the Social Security system and finance industrial development’, but was

concerned about the fiscal burden not falling mainly on low-income households.¹² The government's narrative targeted such objections as inflation control was conceived as a means to protect the purchasing power of the average French citizen (Attali 2012).

A similar shift towards market liberal precepts as desirable instruments to fulfil traditional objectives can be observed in the realm of labour-market regulation. Between August and December 1982, complementing the *Blocage*, the government approved a series of labour reforms (the Auroux Laws), which were meant to strengthen collective bargaining at the firm level (Moss 1988). The Laws originated from the report drafted by Minister of Labour Jean Auroux in 1981¹³, which in turn took inspiration from previous debates led by Delors and surrounding the project of the so-called 'New Society' of industrial relations (Howell 1992). Delors thought that bargaining at the firm level would lead to a clearer link between productivity and salaries, and as a consequence to better economic performance (Howell 1992, p. 183).

Contradicting such expectations, the Auroux Laws brought about an exacerbation of the 'micro-corporatist form of labour regulation' that already dominated the French system (Howell 1992, p. 185). Lacking provisions to strengthen labour organisations, their net effect was that work councils took the upper hand in the negotiations with employers, which could now *de facto* forgo bargaining with unions (Moss 1988). The measures left CGT and CFDT, whose ideas had inspired the government's proposals, unsatisfied: the former would have preferred work councils to have the right to suspend dismissals and the latter asked for an enhancement of union representation in small firms.¹⁴ During the implementation of the reforms, the Ordinance that received more public attention was the one reducing the working week from 40 to 39 hours.¹⁵ The measure was described as an instrument to increase employment.¹⁶ However, the government also restricted the use of temporary contracts (*contrats à durée déterminée*).¹⁷ It is interesting to note how even strong supporters of the reform (such as CGT and FO) saw a clear trade-off between restriction to flexibility and the need to increase employment, as they called for part-time work to be imposed between 20 and 30 hours per week in order to force employers to provide high minimum hiring.¹⁸ Even the apparently more radical proposals, such as that of the *partage du travail* (i.e. reducing the individual working time in order to increase employment), had behind them a clear recognition of the need for French workers to adapt to competitiveness requirements.¹⁹

In spite of the government's initial restriction of temporary contracts, these and other non-standard contracts increasingly came to be seen as the key instrument through which to fight unemployment. Mauroy argued that 'in the long term[...]we will not meet our objectives in reducing unemployment unless we lean on a more generalised sharing of employment.'²⁰ The 'deficient functioning of the [French] labour market'²¹ was singled out as a key reason for the country's high level of unemployment. Initial moves towards flexibilisation were either negotiated with trade unions or involved the state paying social security charges to encourage hiring, as in the case of *travaux d'utilité collective* (TUC) in October 1984.²² In 1985, the government took the step of developing part time and temporary work through the flexibilization of the use of *contrats de durée déterminée* (CDD), which as we have seen had been initially restricted. As stated by Employment Minister Michel Delebarre, these measures were designed to help the government's broader economic objectives of 'maximising economic growth in France [...] and developing companies' capacity to engage in productive investments.'²³ CFDT leader Maire actively defended the move towards greater flexibilisation, arguing that 'full time employment and indefinite contracts should no longer be the only response to the employment problem.'²⁴ By contrast, CGT and FO were critical of these measures, fearing they would create a dual labour market.²⁵

Overall, unions disagreed with some of the methods employed by the government and became increasingly divided over the question of flexibilisation, but generally agreed on objectives. This relative acquiescence was facilitated by the fact that the government did not engage in major welfare retrenchment during this period. Overall, Socialists sought to maintain the social protection gains they had made since 1981, with spending in pensions and healthcare increased from 21.3 percent of GDP in 1980–26.5 percent in 1990 (Levy 2005, p. 110). This focus on maintaining social protection

is what Levy (2005) has termed the ‘social anaesthesia state’, whereby state authorities ‘facilitate market-led adjustment while pacifying and demobilising potential victims of this process’ (Levy 2005, p. 104). In this way, the government deployed a ‘selective neoliberalisation’ strategy, liberalising sectors such as the labour market while leaving social protection essentially untouched. In contrast, as we shall see, the ‘neoliberalisation’ of the Social Security system in Spain resulted in a breakdown of government-union relations.

Italy: economic redemption, beyond inflation and clientelism

Italy had developed the bulk of its social protection system in the early 1970s as a consequence of the student movement protests of the late 60s and the so-called ‘hot autumn’ factory struggle in 1969 (Baccaro and Locke 1998, p. 286). The three main trade unions – the Communist *Confederazione Generale del Lavoro* (CGIL), the *Socialist Unione Italiana del Lavoro* (UIL) and the Catholic *Confederazione Italiana Sindacati Lavoratori* (CISL) – together with the *Partito Comunista Italiano* (PCI) channelled and reinforced general discontent (Fifi 2023). The government led by the *Democrazia Cristiana* (DC) was forced to adopt several of the PCI’s and CGIL’s proposals, including an increase in workers’ rights (through the so-called Workers’ Statute) and a thorough indexation of salaries against inflation (through the so called ‘*scala mobile*’) (Fifi 2023, p. 1445).

The policy of wage restructuring of the late 1970s and early 1980s represented an attempt to tackle inflationary spirals, and went hand in hand with the integration of the lira in the fixed-exchange rate system provided by the EMS. At the political level, the PCI, while reaching an historical electoral result in the 1976 elections, did not manage to gain the expected relative majority within the Parliament. This, together with weakening ties with the Soviet Union and reflections on Chile’s *coup d’etat* in 1973 (Ferragina and Arrigoni 2021, p. 972), pushed it to accept the so-called ‘historic compromise’ with the DC, with a consequent explicit shift from revolutionary ideals to reformism (Hyman 2001, p. 150, Fifi 2023, p. 1447). The PCI’s participation in the government coalition went hand-in-hand with a substantial turn in economic ideas which was epitomised by discussions at the 1976 conference of the *Centro Studi di Politica Economica*, where party’s leaders and economists associated to the Left supported wage contraction as a solution to rising inflation (Ferragina and Arrigoni 2021, p. 972). In the spirit of a second-order change, PCI leader Enrico Berlinguer encouraged working people to embrace austerity as a way to produce a more just society beyond consumerism (Ginsborg 1990, p. 356), as well as a pragmatic solution in the context of increasing international competition (Cozzolino 2022). Trade unions similarly provided support to key reforms in this period. In particular, through tripartite concertation with governments and employers, they signalled their openness to accept reductions in wages and labour market flexibility (Golden 2019, p. 72). As in France, the main Italian left-wing forces saw such a shift in policy-making priorities as necessary to serve traditional left-wing goals (particularly, protecting purchasing power, increasing employment and integrating outsiders into the working force). On the other hand, the Italian Left displayed ‘selective neoliberalism’ patterns in as much as it thought that public investments (particularly in the *Mezzogiorno*) should be increased in a period of crisis.

The so-called *Accordo Interconfederale* (January 1977) was the first result of this new strategy, as unions agreed to restrict the number of cases in which indemnities or age-related contract changes affected the cost of labour and committed to eliminate automatism in the application of the *scala mobile*. The deal was reached in order to ‘1. contribute to the fight against inflation and to the protection of the currency with the reduction of labour costs and with a boost in productivity; 2. favour the conditions for new investments.’²⁶ The judgement of the deal by all trade unions was positive, while they also emphasised the need to further commit to productive investments, particularly in the Italian South. PCI Senator Gerardo Chiaromonte expressed a ‘positive judgement over the deal between unions and Confindustria, which creates the conditions for a serious boost to productivity and competitiveness[...]’.²⁷ He added that Communists acknowledged the need to prevent the ‘threats that our country and our democratic regime will face if we are not able to stop the

inflationary process and stop slipping towards the abyss represented by the bankruptcy of public finances. For this reason, we ask for coherence and rigour, and *consider necessary a policy of austerity*.²⁸ More broadly, left-wing forces in Italy started placing the emphasis on the fact that social protection of insider groups meant impoverished conditions for outsiders. CGIL regional secretary Bordini, for instance, asked: 'if we limited ourselves to defend the salary of those that work [...] what would we be able to say to the unemployed, to the young generations that are looking for jobs, to Southern citizens?'²⁹

The need to sacrifice social protection was taken for granted, showing a clear shift in the leftist interpretation of the crisis and the political economy behind it. Within the PCI, for instance, there was agreement on challenging the inappropriate use of the *Cassa Integrazione* as a perpetual form of protection of the unemployed.³⁰ As argued by the CGIL leader Luciano Lama (1978, cited in Fifi 2023 p. 1448), 'if we want to be coherent with the goal of reducing unemployment, it is clear that the improvement of employed workers' conditions must be pushed aside.' On the other hand, the *Accordo* acknowledged the fact that 'public spending has been dispersed in prevalently unproductive channels. This has created a structural weakness in the Italian economy, of which the biggest price was paid by the *Mezzogiorno*.'³¹ UIL Secretary General Giorgio Benvenuto emphasised this, by arguing that 'it is no longer possible to only focus on labour costs, but it is also necessary 'to take the hatchet and engage, as in England, in a brave cut to public spending, focussing on wasteful expenditure'.³² Following selective neoliberal reasoning, left-wing groups thought that cuts to spending had to be directed towards unproductive investments. However, in this way, they also legitimised and introduced a narrative that argued that any unproductive use of spending (including excessive unemployment benefits) could be detrimental.

These themes were reinforced during the trade unions' internal debate on the so-called 'EUR Strategy', a new line of political economy that workers representatives formulated during their congress held on the 13th and 14th of February 1978. In synthesis, the Strategy comprised an acceptance of the need for wage moderation accompanied by the request to increase productive investment to favour employment. According to CISL leader and Chief relator during the Congress Luigi Macario, 'the most original element of the unions' proposals is the goal of providing everyone with employment and structure political economic choices around this. Only by understanding this objective can we understand the will of unions' leaders to give their contribution.'³³ Following a 'selective neoliberalism' logic, Macario drew a clear distinction between productive and unproductive uses of spending, arguing that the needed deficit ceiling should have not been applied to 'expansionary policies that are seen as necessary for their effects on employment.'³⁴ The underlying assumption was that 'sheltering' groups and sectors 'is a great social waste that our country cannot accept any longer'³⁵ and that this ultimately prevented Italy from boosting employment and reducing living costs. As exemplified by CGIL leader Luciano Lama, the 'welfarist response to the problems of employment [...] leads to uncontrolled public deficits which weigh on our shoulders and incentivises inflationary spirals.'³⁶ From Lama's own words, it is clear that the 'EUR strategy' was not dictated by external pressures, but was part of an effort to provide a coherent and durable response to the crisis at hand: 'The wage policy of the upcoming years will need to be very strict, [...]. We cannot oblige firms to employ a number of workers that exceeds their productive capacity, neither can we ask the *Cassa Integrazione* to assist surplus workers permanently.'³⁷

Key results of this overall reorientation of policy preferences were included within the *Scotti Agreement*, proposing a cut of 15 percent in the convergence point of the *scala mobile*. The PCI and the CGIL were against the idea that the government could act authoritatively (i.e. without an explicit discussion with unions); but did not question the need to cut indexation as a solution to the crisis. Their request was that, in combination with a reduction of labour costs, spending would be channelled to facilitate employment (particularly within the Southern regions and of women and young workers).³⁸ Communists were drawing a clear distinction between productive and unproductive spending, the second one being mainly associated with the corruption of the

DC government.³⁹ In the early 1980s, PCI's leader Berlinguer tried to mobilise the message of the 'moral question', which within the Italian domestic debate translated into a struggle against the inefficiencies and corruption of the public sector, as opposed to the dynamism of private enterprises (Fifi 2023, p. 1447). Berlinguer was proud of the fact that the PCI had been the only Italian party to fight against distortions created by the DC's excessive public spending.⁴⁰

Similarly, Italian Socialists started seeing inflationary tendencies as going against the goal of enhancing employment (especially among the younger generations).⁴¹ Their leader Bettino Craxi, who served as Italian prime minister between 1983 and 1987, was perhaps the main Italian political leader emphasising the need to control labour costs (Favretto 2003, p. 101, Fifi 2023). With the so-called San Valentine Decree of the 14th February 1984, the Craxi government cut 3 points of the *scala mobile*, converting a proposal agreed between CISL, UIL and Confindustria into law, but opposed by the CGIL. Debates surrounding this reform reinforce the claim that while the overall trajectory of the Italian Left headed towards increasing acceptance of reduction in social protection, this was not a smooth process. The CGIL itself, whose majority voted to oppose the deal, had within itself a Socialist faction (led by Ottaviano Del Turco) that was in favour of supporting the government decision.⁴² On the flipside, the tentative position of the CGIL with regards to the deal, raised concerns within the other two confederal unions (particularly UIL) regarding the ability of labour representatives to act in unison.⁴³

What divided the three unions was, ultimately, not a qualitative difference in their interpretation of the deal. They all accepted the idea that a reduction of labour costs was needed in order to fight inflation⁴⁴, and that a cut in nominal income could have been beneficial in real terms.⁴⁵ All three confederations would have preferred to combine the curb of wage-indexation with a commitment on the side of the government to future productive investments.⁴⁶ What divided Socialist and Communists was an interpretation of the extent to which unions could act as a veto player on the deal⁴⁷, with the CISL and UIL playing the part of the sceptics. As synthesised by the Socialist newspaper *l'Avanti!*, 'The working class has lost in these years a great deal of bargaining power [...] for the simple reason that it is increasingly less necessary within the productive process.'⁴⁸ Socialists did not believe in what they labelled as the 'operaist myth', according to which the working class was still representative of all other classes and interests.⁴⁹ The PSI accused the PCI of wanting to protect only the salary of insider workers, thus negatively affecting the employability and rights of outsiders.⁵⁰ Their shift away from social protection was fully in line with a 'second order change', as they argued that prioritising existing wages might be in contrast with the priorities of other vulnerable groups.⁵¹ The CGIL and the PCI called for a referendum against the San Valentine Decree, but the majority of the Italian electorate rejected the Communist position and supported the repeal of the wage-indexation system (Gotor 2019, p. 422).

Spain: liberalising to integrate outsiders?

Spain's attempt to tackle the effects of the oil crisis only started in 1977, after the first democratic elections following the death of General Francisco Franco led to the election of the centre-right *Unión de Centro Democrático* (UCD). UCD did not obtain a majority in parliament and thus had to form a minority government. The urgency of tackling the effects of the oil crisis, which had left the country with a high inflation rate and public deficit, led UCD to seek a consensus-based political pact with the two main forces of the opposition, the Spanish Socialist Workers' Party (PSOE) and the Communist Party (PCE) (Cabrera 2011, p. 86). The adjustment policies proposed by a government included a tight monetary policy and devaluation of the currency, wage restraint, and the reform of the financial system (Cabrera 2011, pp. 88–89). The decision to pursue a political pact was also partly determined by confrontational attitude of the two main trade unions – Socialist-affiliated *Unión General de Trabajadores* (UGT) and the Communist *Comisiones Obreras* (CCOO) – who refused to engage in negotiations with the government, given their differing views on pension reform, wages and inflation forecasts (Royo 2000, p. 70).

Both left-wing parties agreed on the need to support the government's adjustment policies as tackling the crisis was seen as necessary to ensure the stability of the new democratic institutions. Santiago Carrillo, leader of the PCE, defended the pact as 'an act of national responsibility, in light of the necessary task of developing and stabilising the new democracy'.⁵² PSOE leader Felipe González adopted a more confrontational strategy throughout the negotiation process, arguing that workers should demand more social concessions to compensate for the burden of adjustment.⁵³ Nevertheless, he ultimately agreed to the pact due to the PSOE's 'will to consolidate democracy'.⁵⁴ Despite the focus on macroeconomic stability, the period around the Moncloa Pacts also constituted the greatest expansion of the Spanish welfare state to ensure social peace during the democratic transition (Kennedy 2001).

Upon winning a landslide victory in 1982, however, the ongoing economic crisis led the PSOE to adopt an austerity programme including wage moderation and deflationary monetary policies as well as a massive reindustrialisation programme (Share 1989, Kennedy 2001). One of the more striking reforms of the period was the flexibilization of the labour market through the reform of the Workers' Statute in 1984. The reform extended the use of temporary contracts and introduced part-time contracts. It resulted in Spain having the highest temporary employment rate in Europe by 1988 (Kennedy 2001). Similarly to his French counterparts, PSOE labour minister Joaquín Almunia presented the reform as a means of ensuring employment creation – the central promise of the PSOE's 1982 programmatic platform – at a time of crisis.⁵⁵ In his view, reducing the rigidity of the labour market would facilitate the entry of labour market outsiders while still protecting insiders, as the reform would not allow the conversion of existing indefinite contracts into temporary contracts.⁵⁶ In this way, the reform originated from a 'second order change' in the political ideas of the Socialists. Interestingly, however, the law was also legitimised by the PSOE as counteracting the overly statist legislation of the Franco dictatorship, as well as through the need to adapt Spain to the policy lines pushed at European Community level.⁵⁷

Unions took a divided approach to the law when it was proposed. UGT initially opposed it on the basis that it would lead to a precarisation of the labour market, but ultimately supported it when the PSOE agreed to complement it with an expansion of the unemployment benefits system.⁵⁸ This showed the importance of 'selective neoliberalisation' in the Socialists' approach, as market measures were initially compensated with welfare gains. CCOO frontally opposed the reform, arguing that the experience of other European countries showed that this only led to creating insecurity in the labour market without leading to greater employment creation.⁵⁹ Santiago Carrillo adopted a similar stance, even trying to get the devolution of the law in the Congress of Deputies. He agreed that the crisis required new solutions to employment creation, but that the PSOE was applying 'remedies that have already been applied in countries with economic structures more solid than ours, without having resolved the issue'.⁶⁰ Instead, he advocated that the solution lay in increasing public investment.⁶¹ Despite UGT's acquiescence to the measure, it is worth noting that Secretary General Nicolás Redondo also went against the Socialists' anti-statist rhetoric. He argued that 'it is not enough to say that the previous social legislation was paternalistic and the product of a dictatorial regime, as you are involuntarily and unconsciously making propaganda in favour of paternalism and dictatorship'.⁶²

This division between UGT and CCOO continued during the negotiations of the Social and Economic Pact (Acuerdo Económico y Social, hitherto AES), which was the first tripartite agreement signed by the government, trade unions and the employers' confederation (CEOE). Signed in October 1984, the pact was born mainly from governmental pressures, as the PSOE was concerned about rising unemployment levels and hoped to tackle this through social concertation (Royo 2000, p. 85). Again, showing a logic of 'selective neoliberalisation', the pact encompassed wage moderation for 1985 and 1986 and liberalised worker dismissals policy in exchange for social concessions, including an expansion of the unemployment system. The PSOE saw the pact as a way to resolve the two key problems of the Spanish economy: low investment and increasing unemployment.⁶³

During the negotiations, UGT leader José María Zufiaur defended the idea of a tripartite pact as ‘absolutely necessary to bring about the deep reforms this country needs’.⁶⁴ CCOO leader Marcelino Camacho opposed the pact as it was negotiated in the context of the approval of that year’s budget, which he saw as regressive and not conducive to employment creation.⁶⁵ Camacho wanted to use opposition to the AES as leverage to force the executive into presenting a more expansive budget.⁶⁶ UGT, on the other hand, continued to defend the pact’s social concessions as beneficial to workers and, crucially, saw employment creation as the responsibility of the private sector.⁶⁷ In the end, the government, CEOE and UGT negotiated the general outlines of the pact in secret, excluding most of CCOO’s demands.⁶⁸ Once negotiated, Joaquín Almunia defended the pact as one that would ‘create a climate of confidence, relaunch investment, generate employment, create certainty and ensure social peace’, while UGT Secretary General Nicolás Redondo defended it as beneficial to workers.⁶⁹ By contrast, Julián Ariza, member of the PCE central committee and the CCOO executive committee, called for mobilisations against an accord that he believed ‘entrenched the government’s right wing economic policies’.⁷⁰

UGT’s support for the executive’s policies, however, ended once the PSOE started enacting cut-backs within the welfare state. In the process of ‘selective neoliberalisation’ that the government had followed up to then, encompassing wage moderation and labour market flexibilisation, welfare retrenchment proved to be the area where even the Socialist-affiliated union refused to compromise. During AES negotiations, UGT had staunchly rejected Almunia’s attempt to introduce a reform that would reduce pensions amounts and increase contribution periods, arguing that the reform of the Social Security system had to be debated carefully through the creation of a special commission.⁷¹ Five months later, the government announced it was considering enacting its pension reform by executive decree – that is, through urgent procedure.⁷² Almunia justified this approach on the grounds of the ‘extremely necessary and urgent character’ of the proposed measures.⁷³ His main justification lay in the unsustainable financial situation of the Social Security system: between 1975 and 1985, the ratio of contributors to pensioners had decreased from 3 to 1 to 2–1.⁷⁴ Beyond this, Almunia also made appeals to the unfairness of the existing system, which he argued left large sectors of the population uncovered, and stated that the government’s focus should lie on designing a non-contributory system for the future.⁷⁵

The proposal met with staunch opposition from both trade unions. CCOO announced it would ‘oppose this new attack on pensioners with all means possible’, and denounced the use of executive decree as ‘a way to avoid real negotiation with social partners and the public debate that Social Security reform requires’.⁷⁶ Nicolás Redondo opposed it on the grounds that focusing on retrenchment without considering other welfare measures that the government had put on the table, such as reforming the financing of the Social Security system and introducing complementary pension funds, was not the correct approach, as ‘it will not make possible the general reform that the Social Security system needs’.⁷⁷ The reform led to major mobilisations by both trade unions in June 1985 and constituted the beginning of the deterioration of relations between UGT and the PSOE (Royo 2000, p. 130).

Concluding remarks

Table 1 summarises how our theoretical framework applies to the cases of the French, Italian and Spanish Left. In all three countries, left-wing groups and trade unions proactively participated in the implementation of austerity and reduction in social protection, using novel ideological justifications to do so. In particular, the transition away from post-war Keynesianism was seen as the only way to reduce the gap between ‘sheltered’ sectors and groups *vis-à-vis* unemployed and labour market outsiders. This constitutes what Hall (1993) calls a ‘second order change’, to the extent that in their increasing acceptance of liberalising measures left-wing groups did not appear to have changed their normative priorities. Austerity, wage moderation and flexibilisation of the labour market were seen as serving traditional left-wing priorities such as employment, and a

Table 1. Second order changes and selective neoliberalism in France, Italy and Spain.

	France	Italy	Spain
Second Order Changes	<p>Fighting inflation seen as a means to protect purchasing power, restore investment and stimulate employment, as well as ensuring sustainability of social protection system (<i>Blocage des prix; Plan de rigueur</i>).</p> <p>Trade unions started seeing temporary and part-time employment as instruments to reduce unemployment (see the debate over the Auroux Laws).</p>	<p>Dual labour market seen as disadvantageous to the creation of new employment (particularly for women and the younger generations, 'EUR Strategy').</p> <p>Inflation seen as loss of income for the lower classes as well as a threat to productivity and growth (Accordo interconfederale and Scotti Agreement).</p> <p>Corruption and clientelism associated with high levels of public spending ('moral question').</p>	<p>Macroeconomic stabilisation seen as necessary to consolidate new democratic regime (Moncloa Pacts)</p> <p>Increases in temporary and part-time employment seen as instruments to reduce unemployment (Reform of Worker's Statute).</p> <p>Wage moderation seen as means to increase private investment and employment (Acuerdo Económico y Social)</p> <p>'Inside-Outsider' narrative to promote flexibilisation of labour market (Reform of Worker's Statute) and pension reform.</p> <p>Anti-Franco rhetoric to legitimise reforms e.g. existing labour legislation criticised as paternalistic. (Reform of Worker's Statute)</p>
Selective neoliberalism	<p>No welfare retrenchment – 'social anaesthesia state' (Levy 2005)</p> <p>Trade unions agreed on the need for a reduction in inflation levels, while asking to boost employment via a cut in working hours and an increase in productive investments (Auroux Laws).</p>	<p>Emphasis on the distinction between unproductive (welfarist) and productive investments.</p> <p>Requests to increase public investments in the Italian South (Cassa del Mezzogiorno).</p>	<p>Socialist trade union UGT supported wage moderation and labour market deregulation due to expansion of unemployment benefits system and need to restore private investment (Acuerdo Económico y Social), but opposed pension reform.</p>

reconceptualisation of redistribution as equality between insiders and outsiders and the protection of purchasing power for low-income households. This was the case even in those rare instances in which increasing social protection was put forward as a solution to the crisis, such as in the case of the Auroux Laws in France, whose ambitions to reduce working hours and fight flexibility were pitted against the need to protect salaries and employment. As Ferragina and Arrigoni (2021) rightly point out, however, neoliberalisation is not a uniform process; but rather one that inherently selects the policy-realms that should be opened-up to the market. This remark is particularly relevant when analysing the increasing consensus and acquiescence of left-wing groups towards liberalising policies. In France, for example, a 'social anaesthesia state' (Levy 2005) which left major welfare provisions untouched accompanied the fight against inflation and the austerity plans implemented by the Socialist government. In Italy, the unity among trade unions was broken over the San Valentine Decree, when the CGIL opposed the deal asking for compensation and more inclusive decision making practices. Similarly, trade unions in Spain accepted labour market flexibilisation, but considered the pension system as untouchable.

In comparing the reasonings of leftist actors in the three case studies, we also find interesting divergences. In France, the fight against inflation was understood as a matter of external competitiveness in an increasingly globalised economy. This might reflect the more central role played by France within the European and global spheres. On the other hand, Italian and Spanish left-wing groups formulated their proposals mainly in reference to domestic political issues. In Italy, the PCI

leveraged the criticism of the careless use of spending characterising the PSI and the DC governments, as a good reason to cut spending. In Spain, the PSOE opposed the rigidity of Francoist labour arrangements and used this to develop an anti-statist rhetoric and criticised a Social Security system and labour market that privileged 'insiders' over 'outsiders'. From our analysis, it emerges that while some realms of public intervention were considered not expendable, others were immediately brought to the bargaining table. To this, our research adds a caveat. While it is true that progressives requested palliatives to compensate for welfare retrenchment and labour market flexibilisation, they generally understood both the reduction of social protection and state intervention as crucial to cope with the crisis at hand – although, in the case of Spain, the narrow focus on welfare retrenchment as opposed to a holistic reform of the Social Security system led to a breakdown of relations between the government and the main union. In the future, more work should be done to analyse how trade-offs between protection and economic efficiency are internally conceptualised and adapted by different social groups during periods of transition.

The paper has emphasised the proactive participation of left-wing forces in the implementation of liberalising and austerity policies during the paradigm shift of the late 1970s-early 1980s. The cases of France, Italy and Spain place into question explanations relying on external constraints or elite-driven changes within leftist political parties and trade unions. In particular, the fact that in some countries (such as Italy and Spain) these changes were supported by progressives even before they were fully accepted by more conservative political groups (and were in fact framed in opposition to the latter) should inspire further scholarly reflection on the determinants of paradigm changes in IPE.

Notes

1. Le Monde, Réduire le taux d'inflation au dessous de 10% sans "casser " la croissance ni accroître le chômage, 15 June 1982.
2. Ibid.
3. Le Monde, Dans la majorité, 15 June 1982.
4. Ibid.
5. Le Monde, Dans les syndicats, 15 June 1982.
6. Ibid.
7. Ibid.
8. Ibid.
9. Déclaration de politique générale de M. Pierre Mauroy, Premier ministre, notamment sur le plan de redressement des équilibres extérieurs, à l'Assemblée nationale le 6 avril 1983.
10. Le Monde, Vaincre le chômage, réduire l'inflation et assainir le commerce extérieur, c'est un impératif national déclare M. Marchais, 26 March 1983
11. Le Monde, Dans les syndicats.
12. Ibid..
13. Jean Auroux, Les Droits des Travailleurs: Rapport au Président de la République et au Premier ministre, September 1981.
14. Le Monde, Les projets de loi tirés du rapport Auroux alignent la France sur les pays à législation 'avancée', 15 March 1982.
15. Le Monde, 'Nous Vivons Le Temps de l'Espoir' déclare M. Chevènement à Orléans, 10 February 1982.
16. Le Monde, Les Conséquences de l'ordonnance sur les trente-neuf heures, 10 February 1982.
17. Le Monde, Le communiqué officiel du conseil des ministres, 29 January 1982.
18. Le Monde, L'ordonnance sur le travail à temps partiel devrait à la fois renforcer les droits des salariés et la lutte contre le chômage, 18 March 1982.
19. Le Monde, 'Qui dit partage du travail dit partage du revenu' déclare M. Mauroy, 9 February 1982.
20. Ibid.
21. Thibaud, P. (1984), Propos d'un Ingenieur Social: Entretien avec Jacques Delors. Esprit, 96 (12), p. 120.
22. Journal Officiel de la République Française, Débats Parlementaires, Assemblée Nationale, N° 27, Lundi 8 juillet 1985, pp. 3196-3197.
23. Ibid..
24. Le Monde, Des risques à partager, 3 January 1985
25. Le Monde, Le dernier quart d'heure de la politique d'emploi, 26 February 1985

26. La Stampa, L'Accordo è vicino, 25 January 1977.
27. L'Unità, Le Manovre e la realtà, 30 January 1977.
28. Ibid.
29. La Stampa, Lama: «Occorrono prelievi ma solo sui redditi più alti», 30 January 1977.
30. Ibid.
31. La Stampa, Punto per punto il testo dell'accordo firmato da sindacati e Confindustria, 27 January 1977.
32. Mario Salvatorelli, 'Primi a rinunciare, Non Vorremmo però rimanere soli' (intervista con Giorgio Benvenuto), La Stampa, 27 January 1977 (our emphasis).
33. Atti del Congresso, Intervento di Luigi Macario, Conferenza Palazzo dei Congressi (Rome), 13–14 February 1978.
34. Ibid.
35. Ibid.
36. Ibid.
37. Eugenio Scalfari, Intervista a Luciano Lama, La Repubblica, 24 January 1978.
38. Filippo Veltri, Il Sud, l'occupazione e la spesa pubblica: le proposte del PCI, l'Unità, 23 January 1983.
39. Gerardo Chiaromonte, Nuova fase di lotta per lo sviluppo, l'Unità, 25 January 1983.
40. Berlinguer, E., 1981. 'Dove va il PCI? (intervista a Eugenio Scalfari)', La Repubblica 28 July.
41. L'Avanti. (1984b). 'La proposta socialista', 13 May, p. 1.
42. Bruno Ugolini, La CGIL a maggioranza dice di no, l'Unità, 14 February.
43. Antonio Polito Salimbeni, Un vasto movimento che peserà sulla trattativa, l'Unità, 10 February 1984.
44. l'Unità, Cgil, perchè non può approvare raccordo proposto dal governo, 14 February 1984.
45. l'Avanti!, Perchè è conveniente l'accordo triangolare sul costo del lavoro, 10 February 1984
46. Franco Gerardi, E il PCI insegue i miti operaisti, l'Avanti!, 10 February 1984.
47. Ibid.
48. Ibid.
49. Ibid.
50. Enrico Manca, Per la prima volta parte una politica di tutti i redditi, L'Avanti!, 14 February 1984.
51. Ibid.
52. Diario de Sesiones del Congreso de los Diputados, Sesión Plenaria num. 14, 27 October 1977, p. 1099.
53. Felipe González, en Gijón: "No estamos dispuestos a ceder en nuestros principios", El País, 13 October 1977.
54. Diario de Sesiones, Sesión Plenaria num. 14, p. 1121.
55. El País, La contratación temporal será ampliada, según Almunia, 28 October 1983.
56. Ibid.
57. Ibid., pp. 4635-4636.
58. El País, UGT impone al Gobierno condiciones para la concertación, 29 October 1983; El País, El Ministerio de Trabajo y UGT llegan a un principio de acuerdo en las negociaciones sobre desempleo y contratación temporal, 19 November 1983.
59. El País, La contratación temporal centra las diferencias en la concertación, 12 November 1983.
60. Diario de Sesiones, Sesión Plenaria num. 99,, p. 4642.
61. Ibid., .pp. 4638-4639.
62. Ibid., p. 4639.
63. ABC Madrid, El Gobierno deberá acometer a partir de ahora las reformas acordadas en el AES, 10 October 1984; El País, El presidente del Gobierno y los máximos responsables de patronales y UGT firman el pacto social, 10 October 1984.
64. El País, José María Cuevas considera necesario un pacto social que fomente la inversión y el empleo, 26 June 1984.
65. El País, UGT no impondrá condiciones en la negociación del acuerdo social, 22 August 1984.
66. El País, El Gobierno intenta superar el pesimismo sobre el Acuerdo Económico y Social, 27 August 1984; El País, Marcelino Camacho anuncia que CC OO no se retirará de la negociación del Acuerdo Económico y Social, 27 August 1984.
67. El País, Opinión: Crear empleo y dar ejemplo, 30 August 1984.
68. El País, Gobierno, CEOE y UGT excluyen del Acuerdo Económico y Social en negociación gran parte de las propuestas de CC OO, 14 September 1984.
69. El País, La patronal y UGT aseguran que sus posiciones sobre la libertad de despido han quedado incluidas en el pacto social, 6 October 1984; ABC Madrid, El Comité Confederal de UGT aprobó ayer el texto del AES, 7 October 1984.
70. El País, Julián Ariza: "Felipe González se ha humillado ante la CEOE", 8 October 1984;
71. El País, El Gobierno quiere introducir la reforma de pensiones en el texto del acuerdo, con la oposición de UGT, 27 September 1984.
72. El País, El Gobierno proyecta reducir por decreto-ley la cuantía de las nuevas pensiones a partir de este año, 21 January 1985.
73. El País, CC OO convocará huelga general por la reforma de la Seguridad Social, 10 April 1985.

74. Diario de Sesiones del Congreso de los Diputados, Sesión Plenaria Num. 213, celebrada el jueves, 30 de mayo de 1985, pp. 9775-9776.
75. Ibid.
76. El País, CC OO se opone a la rebaja de pensiones proyectada por el Gobierno, 22 January 1985
77. El País, Nicolas Redondo afirma que el proyecto del Gobierno recorta las actuales pensiones, 17 March 1985.

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