Globalization and democracy in historical perspective

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I would like to start by quoting from a French critic, on the subject of politics and inequality:

What would a universal society be like which would have no particular country, which would be neither French nor English, nor German, nor Spanish, nor Portugese, nor Italian, nor Russian, nor Tartar, nor Turkish, nor Persian, nor Indian, nor Chinese, nor American, or rather which would be all of these societies at the same time? What would be the consequence for its customs, its sciences, its arts, its poetry? How would people express emotions which are felt at the same time, but in different ways by different nations in different climates? How would the language incorporate this confusion of needs and images... And what would that language be? Would the fusion of societies result in a universal idiom, or would there be a dialect of transactions serving daily usage, while each nation spoke its own language, or would different languages rather be understood by everyone? Under what similar rule, under what single law would this society exist? How is one to find a place in a world which is made larger by the power of ubiquitousness, and made smaller by the little proportions of a globe which is everywhere polluted? All that will be left will be to demand that science find a way of changing planets....

The French critic, here, is René de Chateaubriand, writing in 1841, at the very end of his life. The future to which Chateaubriand looked forward was shaped by science, and by new technologies of transport and communication. “When steam power will be perfected,” he wrote, “when, together with telegraphy and railways, it will have made distances disappear, it will not only
be commodities which travel, but also ideas which will have wings. When fiscal and commercial barriers will have been abolished between different states, as they have already been between the provinces of the same state; when different countries, in daily relations, tend towards the unity of peoples, how will you be able to revive the old mode of separation?” But Chateaubriand was also concerned with the political future. “The too great disproportion of conditions and fortunes could be sustained as long as it was hidden; but as soon as this disproportion has been generally noticed, the death blow has been dealt.” One threat to established political society, for Chateaubriand, was the “expansion of intelligence,” as “instruction” becomes a condition of all classes. The other was “the development of brute nature,” and the “multiplication and variety of machines,” as a “single and general mercenary, matter, replaces the mercenaries of the fields and of domesticity; what will you do with the human race, unemployed?”

The idea of a history of globalisation is at first sight a contradiction in terms. Globalisation, internationalisation, or mondialisation has been depicted, for much of the past 20 years, as a condition of the present and the future; a phenomenon without a past. It is associated, both for its admirers and for its opponents, with new and unprecedented technologies; the internet, international capital markets, supersonic travel, just-in-time deliveries across very large distances, cable news. The point of this paper, by contrast, is to suggest that there is indeed a history of globalisation – there is even a history of the idea of globalisation as a phenomenon without a history -- and that this history is of some interest for present politics.

There are two principal and closely related ways of looking at globalisation in historical perspective, having to do with the history of international relationships, and the history of international ideas. The first is concerned with the economic and social history of the relations between nations, and in particular with the history of earlier periods of very rapid increase in
international trade, international investment, international communication, and international influence. There have been several such periods over the past 250 years; the export and investment booms of the 1860s and of the early 20th century are only among the more dramatic examples. The history of these earlier epochs, and of the institutions with which they were associated, is of considerable contemporary interest. International history is a very difficult subject for economic, as for other historians. It must be far more than the history of the relations between nations in the sense of their diplomacy, or their wars, or their conquests and empires. It is more than the history of exports and imports. It is more, too, than a comparative history; it must be a history of relations between individuals and cultures, including individuals who belong to several different cultures at the same time, or who move between different identities, languages, countries of residence, and even nationalities. Merchants and immigrant workers are the classic example of such individuals: they have been seen as “rootless cosmopolitans.”

The economic history which is perhaps of particular contemporary interest has to do with the end of periods of globalisation. For these earlier epochs have in common that they all came to an end, in a more or less abrupt decline of international economic relationships. The history of the end, or the reversibility, of globalisation is itself a fascinating subject. It can be studied by looking at trade and tariffs, for example, at emigration and immigration policies, at monetary history, or at the history of international economic institutions themselves. The politics of European monetary unification in 1865-1871, to give one example, has been the subject of a recent PhD dissertation at the University of Cambridge by Luca Einaudi. He discovered, in the French archives, not only detailed plans for a future European central bank, but even a draft of a new European currency, for which the proposed name was the “Europe.” He also analysed the political and institutional
pressures, within England, Germany, and France itself, which led to the failure of this early currency union, shortly before the great depression of the 1870s.³

The second aspect of the history of globalisation is a matter of the history of ideas, more than of the history of economic life. It is not always easy to separate intellectual history and economic history, or the history of economic thoughts and the history of economic events. The distinction is indeed particularly tenuous in relation to periods of rapid internationalisation (or of subsequent re-nationalisation), because so much of the phenomenon of internationalisation is a condition of ideas, or of events which are also thoughts; so much of it is about the desire to invest in distant opportunities, to buy different commodities, to communicate with distant people. (The distinction is certainly tenuous in the contemporary global economy, in which two companies that in effect buy and sell thoughts -- Microsoft and Intel -- together have a market capitalisation recently estimated at $500 billion.) But the idea of internationalisation does itself have a long and fascinating history, and one that has not always been well synchronised with the history of such economic circumstances as the share of exports in national and international output. Political philosophers, that is to say, have sometimes begun to reflect on the consequences of political and social internationalisation just at the time when economic internationalisation is about to reverse itself; on other occasions they have anticipated future economic trends.

My principal concern, in this paper, will be with the second sort of history, or with the history of the idea of internationalisation. The period with which I will mostly be concerned is the half century which began around 1770, and ended with the French Revolution and the Napoleonic wars. It was a period of extraordinary turmoil in politics and political thought, including in thought about democracy. It was also a period -- considerably more than the economic expansions of the 19th century -- when private corporations, and in particular the Dutch, English, French and Swedish
East India Companies, played a decisive role in internationalisation. As at the end of the 20th century, formal empires were only a small constituent of international political, economic, and moral relationships. It was a period, too, in which the juxtaposition of national (or local) politics and international economic change -- the relationship between government and “globalisation” -- was of intense political interest.

Let me give some indication of late 18th century views of the politics of globalisation. I start with Adam Smith, writing in 1776, in the Wealth of Nations, about the difficulties faced by nations “who have attempted to tax the revenue arising from stock,” in a world in which capital “may wander about from place to place, according as it can either buy cheap or sell dear.” “The proprietor of stock is properly a citizen of the world, and is not necessarily attached to any particular country. He would be apt to abandon the country in which he was exposed to a vexatious inquisition, in order to be assessed to a burdensome tax, and would remove his stock to some other country,” Smith wrote of the politics of capital taxation. Smith also described the politics of military expenditure, in a world of international news and international communications: “In great empires the people who live in the capital, and in the provinces remote from the scene of action, feel, many of them scarce any inconveniency from the war; but enjoy, at their ease, the amusement of reading in the newspapers the exploits of their own fleets and armies.”

Two years earlier, the German philosopher Herder described the much-vaunted “System of Commerce,” with heavy irony, as a structure in which “three continents are devastated and policed by us,” and people around the world “become closer together, through brandy and opulence, above all through our culture, and will soon, thank God, all become men like us, good, strong, happy men!” “All nations and all continents are under our shadow, and when a storm shakes two twigs in Europe, how the entire world trembles and bleeds,” he wrote in 1774. “When has the
entire earth ever been so closely joined together, by so few threads? Who has ever had more power and more machines, such that with a single impulse, with a single movement of a finger, entire nations are shaken?"  

On the change in economic and other financial relations, the French mathematician and economist Condorcet wrote, again in 1776, that people who work on and own land “have an interest in the general happiness of the society which is the greater because it is more difficult for them to leave it. This interest diminishes in other classes because of the ease with which they can change their country. It ceases almost entirely for the owner of money who, by a banking operation, within an instant becomes English, Dutch or Russian.” The German “romantic” economist Adam Müller, some years later, commented on the new international financial relationships with dismay. He indeed used the metaphor, in the early years of the 19th century, of a great struggle between the economy and nature, or the planet. He wrote, in 1809, “Society expands and intensifies. By a letter, by a bill of exchange, by a bar of silver, the London merchant reaches out his hand across the oceans to his correspondent in Madras, and helps him to wage the great war against the earth.”  

Adam Smith, in his other great work, the Theory of Moral Sentiments, was concerned rather with the moral relationships, or lack of relationships, that exist between individuals in different parts of the world. He compares the distress that one might feel, as a person living in Europe, over the loss of one’s little finger, and over the news that “the great empire of China, with all its myriads of inhabitants, was suddenly swallowed up by an earthquake.” One would be hugely shocked, Smith says. One would express one’s sorrow. One would reflect on the precariousness of life. One might then “enter into many reasonings concerning the effects which this disaster might produce upon the commerce of Europe, and the trade and business of the world in general.” But one would sleep soundly, and go about one’s business. If one could choose to sacrifice one’s finger, and
thereby to save the millions of people, one would do so. But the distant people still, in some sense, matter to us less than our own fingers.\textsuperscript{10}

All these observations are concerned, in one way or another, with the politics of internationalisation, or globalisation. In very general terms, they all express concern about relationships between distant people. They are inspired, in each case, by new possibilities of communication, transport, or influence; they turn on the circumstance that people in London or Paris or Berlin or Edinburgh, towards the end of the 18th century, had vastly more knowledge about events in distant countries, and vastly more influence on these events. People in Edinburgh were also more influenced by events in Madras or Peking, at least to the extent that they knew about these events. But the observations also turn, in each case, on a much more general circumstance, which is that individuals in all modern societies have economic, political and moral relationships with other individuals whom they do not know; with strangers or foreigners or aliens; with people who are distant, and different. It is the 18th century reflection on this circumstance which seems to me to be evocative in modern debates.

Adam Smith was concerned, like many of his contemporaries, with detailed projects of international or intercontinental government. He was sharply critical, for example, of the multiple “oppressions” of the English East India Company in Bengal, pursued by governments whose trading spirit “renders them very bad sovereigns; the spirit of sovereignty seems to have rendered them equally bad traders.”\textsuperscript{11} He was optimistic, by contrast, about the prospects for a parliamentary union of North America and Britain; he considered that “the distance of America from the seat of government” would pose few problems, and would in any case be temporary, as the centre of government would be likely, within a century, to migrate across the Atlantic to what would by then be the richest and most populous part of the empire.\textsuperscript{12} Condorcet, too, was interested in projects of
European government, including the prospective constitutions of “federative republics.” He described detailed arrangements for the delineation of variable majorities of federal and cantonal government, suited to various issues of international and local importance, as well as procedures whereby contiguous states might resolve disputes over changes in the course of a river, or over rights to refuge and asylum.13

These projects of formal government anticipate several of the institutions established in the course of later periods of internationalisation. But it is the 18th century politics of international influence which may be of particular interest to modern debates about globalisation and democracy. For the period which ended with the French Revolution and the Napoleonic Wars was one in which the frontiers of political life were being extended, at least in prospect. Political philosophers in England and France were confronting the possibility that individuals would eventually have political relationships with people they did not know -- with strangers -- within their own countries. The language of the rights of man suggested, above all, that there would eventually be political relations between the rich and the poor; between the two classes who were identified, even in the richest European societies, as the independent and the dependent, the educated and the ignorant, the responsible and the irresponsible. In the view of some political philosophers, including Condorcet, there was the prospect of a further extension of political relationships, to include women, and, in the French and English colonies, former slaves.

The new diversity of political subjects, and of forms of political influence, was thought to impose (or to threaten) a new kind of politics. The republican politics of antiquity, in innumerable 18th century descriptions, required that all citizens should be the same sort of person; in certain circumstances, that all free, adult, male citizens should know, or should at least be able to recognise each other. They should be “men like us.” “It was no longer possible to distinguish between who...
was and who was not a Roman citizen. No tribe could know its own members,” Smith wrote of the decline of the Roman republic, in the period of extensive (and multi-national, or multi-tribe) citizenship. In a democracy, Montesquieu wrote in 1748, “equality must be the soul of the State.” “The love of democracy is that of equality,” and inequality is the principal source of disorder, even in aristocratic states. Extreme economic inequality should therefore, for Montesquieu, be restricted by taxes and regulations; “this equality of distribution constitute[s] the excellence of a republic.”

The late 18th century prospect of a more extensive politics -- a politics of relationships between people who did not know each other, and were not each others’ equals -- was in these circumstances, for many political theorists, simply incompatible with republican government. On the one hand, democracy could not be imagined in a class society, of extreme inequality. But on the other hand, equality was itself difficult to imagine, at least in a large and diverse society. As Malthus wrote in 1798, in his Essay on Population, “the labouring poor, to use a vulgar expression, seem always to live from hand to mouth. Their present wants employ their whole attention, and they seldom think of the future.” For the French economist and politician Jacques Necker, who exercised considerable influence on Malthus, the people were like children, who act “without reflecting, but enlightened by their instinct, commanded by their needs.” They were a “blind and wild multitude.” Necker wrote in 1775, who “never stop to reflect on the laws of nature.” “The prosperity of the state, the centuries, the next generation, are words which cannot strike them; they are connected to society only by their pains, and in all the immense space which is known as the future, they never see further than tomorrow; they are deprived by their misery of more distant interests.”

The possibility or impossibility of equality was in these circumstances of intense political interest. One of the principal preoccupations of the proponents of political reform, in the period
preceding the French Revolution, was indeed with the changing relationships between social
inequality (“inequality of conditions”), economic inequality, political inequality, civil inequality
(“inequality of rights”) and inequality of instruction or enlightenment. “The spectacle of the equality
which reigns in the United States, and which assures its peace and prosperity” will be “useful to
Europe,” Condorcet wrote in 1786. These rights included the security of one’s person and one’s
property. But they were at risk in a society of extreme economic inequality. There was thus a
vicious circle whereby economic inequality leads to social inequality, and thereby to civil inequality,
just as there is a virtuous circle in which civil and political equality lead to the gradual reduction of
economic inequality. The Americans, Condorcet writes, should immediately adopt the system of
freedom of commerce, for “otherwise it will not be possible to prevent the inequality of fortunes
from becoming established, and then neither sumptuary laws, nor censors, nor complicated
constitutions, nor all the inventions of the old politics will prevent social inequality.”

There was one particular form of social inequality, or inequality of conditions, which came
to assume central importance in Condorcet’s thought. This was the inequality of instruction, or
enlightenment. As Condorcet wrote, shortly before the Revolution, people who did not know how
to count, or who did not understand local laws, were dependent on others: “social institutions must
combat, as much as is possible, this inequality which produces dependency.” Instruction was
necessary, above all, to “make a reality out of the enjoyment of the rights which are assured to
citizens by law”; “does a being enjoy his rights, when he is ignorant of them, when he cannot know if
they are being attacked?” Condorcet’s last major published work was a detailed plan of universal
public instruction, for girls as well as boys, and adults as well as children. But this instruction should
not extend to political and moral education, which would be contrary to the “independence of
opinions.” They would not have the character of a “received truth,” or a “universal belief.” The
liberty of political, moral and religious opinions, Condorcet wrote, is “one of the most precious parts of natural liberty.” His idyll, in a society of universal education, was of political equality: “the destruction of equality among nations, the progress of equality within a particular country, and finally, the real perfecting of man,” including through the reduction of the inequality of rights between the two sexes, founded on the abuse of force and “dismal even to those whom it favours.”

Political relationships, in the diverse and international society of the end of the 18th century, were to be founded on universal political discussion, and universal political reflection; on what one of Adam Smith’s critics described as “that unrestrained and universal commerce, which propagates opinions as well as commodities.” This ideal of universal enlightenment was the object of continuing scorn. “It has been the misfortune (not as these gentlemen think it, the glory) of this age, that everything is to be discussed,” Edmund Burke wrote of the reformers of the early years of the French Revolution; governments, he warned, would soon feel “the pernicious consequence of destroying all docility in the minds of those who are not formed for finding their own way in the labyrinths of political theory.” The prospect of universal discussion was criticised, too, by the revolutionary exponents of absolute political equality; by Robespierre, or Saint-Just, for whom all children were to be educated, “under the holy law of equality,” to revere their own political constitution, and to be like Roman or Spartan citizens, “bowed every day and at every moment under the yoke of an exact rule.” It imposed, even for its proponents, a frightening tolerance for political uncertainty. But it was the outline, at least, of a universal, diverse, and discursive politics.

One of the profound insights of the late 18th century Enlightenment was that political opinions would continue to change as much in the future as they had in the recent past. The 9th amendment to the US constitution indeed foresees the extension of protection to rights which were not as yet foreseen; a reservoir, in Bernard Bailyn’s words, of “other, unenumerated rights.” In
emphasising the lasting philosophical challenge of thinking about political relationships between strangers, or between people who are “by nature” different from one another -- in the late 18th century, between men and women, between citizens and foreigners, above all between the rich and the poor -- I do not want to minimise the importance of new technologies of international or global connection at the end of the 20th century. The 18th century theorists with whom I have been concerned thought a lot about the reduction of distance. But the politics of distance -- in the sense, above all, that the framers of the American constitution thought of distance as a factor that would calm political passions -- is undoubtedly different in the age of instant communications, instant focus groups, and instant policy making.

What I do want to suggest is that the challenge of thinking about, and constructing political relationships with strangers is of continuing importance to modern democracies. It is important within democratic societies, including Sweden, the United Kingdom, and the United States. It is of urgent importance within the European Union. It is important, above all, to the prospects for future international societies, especially in the period of re-nationalisation, or at least of slowing internationalisation, which may now lie ahead. I also want to suggest that the sense of inevitability -- of total technological novelty -- which sometimes accompanies discussions of globalisation is itself, often, a source of passivity. The historian Mona Ozouf, summarising the debates over universal public instruction in which Condorcet was involved during the early years of the French Revolution, wrote that equality is “not a condition, but a process of becoming.”

It is a historical process, that is to say; a process in which individuals know some of their own history, and of the history of their societies; a continuing process.
Notes

1. This is a revised version of a paper presented at the Democracy Commission, Stockholm, Sweden, on December 9 1998. A shorter version will be published in Foreign Policy in June 1999.


2. On one measure of globalisation, the absolute value of current account balances as a share of gross domestic product, the current boom has yet to exceed that of the period preceding 1914; as Maurice Obstfeld writes, “Even today, the average level of current account balances [for 12 advanced economies] has not quite attained the magnitude that was common before World War I.” See Maurice Obstfeld, “The Global Capital Market: Benefactor or Menace?”, Journal of Economic Perspectives, 12, 4 (Fall 1998), 9-30, p. 11.


11. Smith, The Wealth of Nations, pp. 640, 819. To these officials, once they have left, it is indeed “perfectly indifferent though the whole country was swallowed up by an earthquake;” p. 640.


19. “Lettres d’un bourgeois de New Haven à un citoyen de Virginie sur l’inutilité de partager le pouvoir législatif entre plusieurs corps” (1787), in Oeuvres de Condorcet, IX, pp. 92-93.


Globalization and democracy. The Democracy Manifesto signals that the time has come to open ourselves to the many ways in which the demos, that is, the people, organize themselves around the world to take charge of their own destiny. Jorge Heine. 11 May 2011. People are not ready to take it any more, and governments had better beware. Absolute monarchies, like the Swazi and the Saudi ones, are especially vulnerable. Arab autocrats like Hosni Mubarak and Muhamar Gaddaffi are criticized for their alleged intention to perpetuate themselves in power through their offspring. Well, by definition, that is what monarchies do. And while constitutional monarchies have a place in today’s world, it has become more and more difficult to justify the existence of absolute ones. Citizens in democracies repeatedly elect leaders who show scant respect for the law, minorities and the economically disenfranchised, leading to a decline in law and order and a normalization of bigotry, explains Samir Nazareth for YaleGlobal. Democracy and globalization together inspired movements for justice and other ideals. Populists and extremists rely on those same strategies to nurture fear, alienation and discontent, attracting attention with promises to restore nations to some former glory through rejection of conventional ways and disregard for minority rights. They propose a history of globalization that draws on a special methodology and a world-system approach based on the development of spatial links over seven periods of time starting with the Agrarian Revolution (four before and three after the great geographic discoveries). The time periods range from. Christopher Chase-Dunn contributes to the globalization in history section a discussion on the continuities and transformations of systemic logic. Modes of accumulation in the world historical evolutionary perspective are described and the prospects for systemic transformation in the next several decades evaluated. The article also considers the meaning of the recent global financial meltdown by comparing it with earlier debt crises and periods of collapse. In Globalization in Historical Perspective, edited by Michael D. Bordo, Alan M. Taylor, and Jeffrey G. Williamson, 191â€“220. Chicago, IL: University of Chicago Press.CrossRef Google Scholar. Drezner, Daniel W. 2001. The Transformation of Political Community: Rethinking Democracy in the Context of Globalization. In Democracy’s Edges, edited by Ian Shapiro and Casiano Hacker-Cord. New York: Cambridge University Press.CrossRef Google Scholar. Chapter 7: Globalization in History: A Geographical Perspective, in Globalization in Historical Perspective. Michael D. Bordo, Alan M. Taylor, & Jeffrey G. Williamson, (eds.), pages 323-369. Dowrick, S. & Delong, J.B. (2001). Rodrik, D. (2011). The Globalization Paradox: Democracy and the Future of the World Economy. New York, New York. Norton.