

# Mock History and Geography OIB Oral Notes

## Democracy in Crisis | Globalization

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### KEY ISSUE: How valid is it to consider the 1930s as a period of democracy in crisis?

At the end of the 1920s, after a decade or so of Laissez-Faire economy and artistic prosperity, a series of problems in the USA caused a major economic crisis: the Wall Street Crash of 1929. This led to a World Depression which greatly affected the 1930s. Notably, they were characterized by a shift away from internationalism and towards isolationist and nationalist economic policies, as countries turned inwards to try and bolster their own sagging economies. But how valid is it to consider this period as a period of democracy in crisis?

- I) After WWI, which had serious consequences on both victorious and defeated countries, people were determined to avoid any future conflict. Both statesmen and ordinary people met in Paris from 1919-1920 to create peace treaties to ensure that WWI would be the "war to end all wars". Yet, the peace treaties themselves, in attempting to solve issues, create numerous new problems.

→ The mindset of self-determination, for example, created small and weak countries which Hitler easily conquered.

→ Also, although the League of Nations, which was meant to uphold the terms of the treaties, had several successes before 1929, particularly w/ Locarno Treaty (1925) and the Kellogg-Briand Pact (1928), it faced multiple challenges of significant importance.

It was often bypassed by the conference of ambassadors and after the collapse of the US stock market, many states began to adopt more aggressive foreign policies that it could not adapt to.

As a result, the League increasingly failed to maintain collective security and keep the demons at bay. Indeed, this led to the Japanese invasion of Manchuria in 1931 and to Italy's invasion of Abyssinia in 1935. By 1939, international diplomacy had collapsed, and the world plunged into yet another war.

- II) The Great Depression of 1929 also greatly affected Germany, which was already struggling with the enormous payments it owed to the victorious powers, as demanded by the Treaty of Versailles in 1919.

→ Germany, for example, suffered from the Tariff War in the 1930s. The US had lent 6 billion dollars abroad throughout the 1920s, to France, Britain, and GERMANY in conjunction with the Dawes Plan. BUTTT, with the rise of protectionism and econ depression, most loans had to be recalled. As the Smoot-Hawley Tariff extended the protective tariff to over 20 000 imported goods, Germany and other debtor nations were left unable to pay. This strangled international trade. As unemployment soared, support for the moderate ruling parties, and for democracy itself diminished, and paved the way for appeasement and aggression.

→ It was in this context, in a myriad of economic downturns, that Hitler was elected chancellor in 1933, shortly establishing an autarky, a self-sustaining econ by taking extreme measures. This was also the case in Japan with Hirohito, or Italy with Mussolini; the 1930s indeed saw a rise in totalitarian states –what historians Friedrich and Brzezinski referred to as “crisis states”.

III) However, not all countries suffered from the World Depression during the 1930s.

→ In contrast to most European nations, the Soviet Union was substantially detached from global interaction – as a communist state, it removed itself from the World Market and was largely immune to the depression. Stalin launched his 5-year plans for economic development, eventually making the URSS a leading industrial power.

→ Similarly, Sweden was one of the countries with the most inequalities in Europe during the 19<sup>th</sup> century, but in 1938, with the agreement of Saltsjöbaden, the basis of a social-democratic model was made and created an iconic contrast with the image of the Munich Conference in 1938 which illustrated the fragility of democracies.

Overall, in direct consequence of the World Street Crash, countries turned towards economic nationalism to cope with the Great Depression. The tariffs war meant that global economy plummeted, and a series of failed peace treaties had counterproductive effects which exacerbated the problems countries had to face. From this context of chaos stemmed totalitarianism which in terms brought appeasement and aggression. Although not all democracies were in crisis during the 1930s, the social-economic status of the majority significantly accelerated the start of WW2.

### **KEY TERM: Globalization**

→ The IMF defines globalization as the growing economic interdependence of countries worldwide through increasing volume and variety and cross-border transactions in goods and services, freer international capital flows and a more rapid/widespread diffusion of technology.