

1919: Inevitability and Chance

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From 1870-1914 we can see global economic history as by-and-large following a logic that was if not inevitable at least probable, or explicable after the fact. Luck and probability gave humanity an opening around 1870 in the form of a quintuple breakthrough: the ideology and policy of an open world, the transportation breakthrough, the communications breakthrough, and—most important the coming of the research laboratory plus the large corporation to to more than double the pace of invention and greatly speed the deployment of new technologies.

Thereafter to 1914 the economic logic rolled forward: the idea of invention, the specialization of inventors, the deployment of technology in corporations trade, the international division of labor, and global growth (but also the creation of a low-wage periphery, and the concentration of industrialization of wealth in what is still the global north); the beginnings of the demographic transition that curbed the tendency for technological progress to be nearly entirely eaten up by greater numbers; the shift of work from farm to factory; and the coming of sufficient (if ill-distributed) prosperity. These all raised the possibility that someday, not that far away, humanity, in the rich economies of the global north at least, might attain something that previous eras would have judged to be a genuine utopia.

From 1870-1914 we can see global political-economic history as by-and-large following a possible if not an overwhelmingly likely or near-necessary path. We see the threading of the needle in the creation and maintenance of an increasingly liberal order within the economies and politics of the global north: expanding suffrage, growing rights, increasing prosperity, increasing inequality accompanied by political movements in or near power that sought to curb such inequalities, and an absence of large-scale revolution. We see the conquest of the rest of the world into formal and informal empires as the power gradient between the North Atlantic and the rest became overwhelmingly huge. Both of these could have been otherwise. But it is not that surprising that they were what they were.

But in the politics of World War I's outbreak and war's progression we enter pure chance and contingency. World War I did not have to happen—the 1914 Bosnian crisis might have been finessed, or the war might have ended with a quick decisive victory for one side or the other, or governments and elites might have come to their senses. Whether some such catastrophe like World War I was probable or whether humanity was unlucky is harder to judge. However, the fact that we had two world wars in the long 1870-2016 twentieth century gives us good reason to fear that there was a deep flaw at the heart of the “western” civilization that had dominated the world from 1870-1914.

To much of the industrial world—especially to those engaged in commerce, trade, and enterprise—World War I had seemed impossible to imagine beforehand. While it was going on it felt like a nightmare. And afterwards seemed like a new, very different, and very bitter life.

The British economist John Maynard Keynes saw the war as a previously-unimaginable horror. He saw his own participation in its planning as he worked at the British Treasury as contemptible. He wrote to his friend David Garnett that he “agreed that there was a great deal of truth” in Garnett’s denunciation of Keynes’s role as an analytical “genie taken... out... by savages to serve them faithfully for their savage ends, and then—back you go into the bottle.... Oh... our savages are better than other savages.... But don’t believe in the profane abomination.”

After the war, Keynes scorned the naivete of the upper-middle class pre-World War I inhabitant of London “for whom life offered, at a low cost and with the least trouble, conveniences, comforts, and amenities beyond the compass of the richest and most powerful monarchs of other ages” who had seen “this state of affairs as normal, certain, and permanent, except in the direction of further improvement, and any deviation from it as aberrant, scandalous, and avoidable”. He was, of course, speaking of himself. He and his had seen “the projects and politics of militarism and imperialism, of racial and cultural rivalries, of monopolies, restrictions, and exclusion, which were to play the serpent” as “little more than the amusements of his daily newspaper... [with] almost no influence... on... economic and social life.”

And they had been wrong, with awful consequences for the world.

World War I did not have to end as it did—with Germany defeated but not conquered, and with Germany’s right wing ready to propagandize that it had not been beaten in a fair fight but rather stabbed in the back by the diplomats,

socialists, liberals, and Jews who made up the “November criminals”; with the United States withdrawing into isolation; with Russia in revolution; and with Britain unwilling and France too shell-shocked by the horrendous casualty roll to take on the task of hegemon stabilizing Europe.

Thus after World War I humanity faced a huge problem: Could it pick up the pieces and try again? Could it do something like restore the pre-World War I order, fix the flaws that had generated the catastrophe of World War I, and resume its tasks—the economic task of advancing and deploying technology and organization for a rich and truly human world and the political-economic task of managing to keep domestic and international peace by satisfying people’s desires to have and exercise the rights they thought they had that were more than just property rights? Or would human progress in the direction of something that some might judge as a utopia greatly slow, or even come to a screeching halt?

We know that it did: confidence in the future of civilization was, worldwide, much lower in 1946 than it had been in 1919. The question is why?