From Imperialism to Liberalism. Reinventing Trade, Institutions, and Unity in Post-World War I Europe

GASPARINI, Amedeo[1]

[1] 0000-0002-5899-1359; Utrecht University. Utrecht, The Netherlands. a.t.gasparini@students.uu.nl.

A B S T R A C T

Liberalism emerged theoretically strengthened in the World War I's aftermath. The start of a new liberal order in 1918-9 did not mean that it would last forever or that it had no opponents. Imperial autocracy was replaced by collectivism: both from the left (Communism) and the right (Nazism and Fascism). The Wilsonian world system, based on trade and institutions, was later put under attack by totalitarianism that weakened liberalism. Liberalism as a foreign policy and its core elements were reinvigorated thanks to the conflict – at least in Western Europe. Firstly, the fact that trade leads to peace, as explained by Norman Angell. Secondly, that institutionalism, democracy, and self-determination strengthened states, easing cooperation among them, as advocated by Woodrow Wilson. Lastly, the fact that peaceful European unity to fight the external challengers and get independence will benefit, according to Richard Coubenhove-Kalergi, the European people.

R E S U M O

O liberalismo emergiu fortalecido teoricamente no rescaldo da Primeira Guerra Mundial. O início de uma nova ordem liberal em 1918-9 não significava que duraria para sempre ou que não teria oponentes. A autocracia imperial foi substituída pelo coletivismo: tanto da esquerda (comunismo) quanto da direita (nazismo e fascismo). O sistema mundial wilsoniano, baseado no comércio e nas instituições, foi posteriormente atacado pelo totalitarismo que enfraqueceu o liberalismo. O liberalismo como política externa e seus elementos centrais foram revigorados graças ao conflito – pelo menos na Europa Ocidental. Em primeiro lugar, o fato de que o comércio leva à paz, como explica Norman Angell. Em segundo lugar, que o institucionalismo, a democracia e a autodeterminação fortaleceram os Estados, facilitando a cooperação entre eles, conforme defendido por Woodrow Wilson. Por fim, o fato de que a unidade européia pacífica para lutar contra os adversários externos e obter a independência será beneficiado, de acordo com Richard Coubenhove-Kalergi, o povo europeu.

Introduction

The Re-emergence of Liberalism,

The carnage of World War I and the disappearance of some Western empires sparked the establishment of a new world order based on liberalism. As the power of violence shaped a generation (Dornik, 2014), the Great War's aftermath enabled the reinvention of liberalism as a foreign policy approach in 1918 in Europe. From the victors' side, there was a willingness to experience a new wave of liberalism in the continent. National self-determination became the polar star in post-war Europe (Lynch, 2002), along with the development of multilateralism and collective security (Green-Denemark, 1999), as well as free trade. From 1918, liberalism as a foreign policy approach gained importance in International Relations. After the War, elements such as trade, institutions, and peaceful unity in Europe represented the main tools to prevent wars in the future, thus contributing to the rebirth of liberalism. Alien to imperialism, liberalism explains how institutions and free trade mitigate States' willingness to conflict.

Liberalism assumes that peace is the natural condition of humanity and that wars are abnormal. It is founded on international norms, the spread of the free market, and international institutions, which strengthen States' cooperation (Meiser, 2018). But also on

collective security, rule of law, and human rights (Taylor, 2020). Post-World War I Europe was the milieu for the rebirth of liberalism, which revived the need for trade and institutionalism to prevent conflicts (Milevski, 2020). What were the main elements of liberalism emerging from the War's aftermath? The paper starts with an introduction to the consequences of the War's end, while the analytical part explores three main elements of liberalism that were reinvented from 1919 on. In "The Great Illusion" (1910) Norman Angell offered a renewed appeal of trade to solve solving States' concerns. A second element was institutionalism with the creation of a new world order based on self-determination, argued by Woodrow Wilson's "14 Points" (1918).

Finally, after the War, it became clear that Europe had to peacefully unite if it was to avoid catastrophes, as expressed in Richard Coubenhove-Kalergi's "Pan-Europe" (1923). Three elements gained strength after the conflict: trade (Angell), institutions (Wilson), and peaceful unity (Kalergi), leading to a reinvention of liberalism in Europe as a foreign policy. If World War was the disaster and failure of a liberal idea, at the end of the conflict liberalism re-emerged as the new world's way to manage international affairs, with the prospective to ensure peace in Europe. The paper brings into dialogue three crucial contributions of liberal inspiration and explains how their three main topics – trade, institutions, and peaceful unity – were the elements that fostered the reinvention of liberalism as foreign policy after the War. The three primary sources reflect the three points making liberalism a foreign policy practice emerging after World War I.

Post-European imperialism and the War's consequences

World War I's aftermath made clear where imperialism and nationalism might lead. Hence, after the war, the need to shape a new international order prompted tolerance and coexistence. According to liberalism, international peace is achieved through the strengthening of trade between nations, and international organizations, and by national self-determination. Before the War, there was an acceptance or risk of war as a solution to many problems: and this led to war (Joll 1984), eventually. Countries went to war to see who would control Europe (Morrow 2014). Among the causes of the war's outbreak were imperialism, nationalism, armaments, and finance (Clarks, 2013). Patriotism, a crucial aspect of mobilization (Compagnon-Purseigle 2016), evolved into nationalism. Liberal scholar John A. Hobson (1965 [1938]) warned in 1902 about the effects of imperialism, examining the concerning matter of civilizing other ethnic groups.

By the end of the conflict, major changes occurred in Europe, among which the collapse of four empires – Hohenzollern, Habsburg, Romanov, and Ottoman. France was obsessed with punishing Germany. It had the Rhineland demilitarised and Silesian industries ceded to Poland, imposing reparations on the weak Weimar Republic. Article 231 of the Versailles Treaty, the "War Guilt clause" which still sparks discussions (Mombauer 2015), imposed on Germany to accept the responsibility for causing all the war-related losses. As for the Habsburg monarchy, this multi-ethnic empire was dismantled into new independent republics. Great Britain, which did not want Germany's Europe domination replaced by French domination (Howard, 1993), reached its territorial zenith in January 1919 (Morrow, 2014). France reconquered Alsace and Lorraine and obtained Syria and Lebanon. In Russia, feudal Tsarist imperialism was replaced by Communism, and the country partially isolated itself.

Bolshevism and Fascism imposed themselves as new challengers to liberalism, with clear imperialistic intentions and postures. National self-determination and the issues of minorities faced troubles after the war (Gerwarth, 2017). The post-war treaties established new boundaries and forestalled as many conflicts as possible, especially through disarming (Konrad 2014). Slowly liberalism began to gain ground. Particularly, three liberal elements gained

credit in the Great War's aftermath. The first was the benefit of trade and the unprofitability of War, expressed in Angell's "The Great Illusion" in 1910. Secondly, international institutions help States and democracies to cooperate and forestall conflict, as implied in Wilson's "14 points". Finally, the concept of European peaceful unity is to be adopted after the War to assert European independence vis-à-vis the U.S. and Russia, as argued by Kalergi in "Pan-Europe".

Three liberal elements in post-Great War Europe

Trade benefits countries: peace, not conflict, generates growth. These are the main assumptions of "The Great Illusion" (1910) by Norman Angell. Economist and Nobel laureate, he was persuaded by the conflict's unprofitability and promoted the link between peace and trade. These two were to be preferred to war itself in the international system (Angell 2015 [1910]). The great illusion was that progress would be achieved through war (*ibid.*). International institutions, trade, and interdependence were keywords of modern liberalism, the key to cooperation and peace among states. War, on the contrary, was to be regarded as unprofitable. Counterintuitively, the author explains that even if a superpower invaded a small country, the former would not benefit from this. Destroying economic interdependence between countries as wars do increases the possibility of conflict among countries. Furthermore, if the invader destroys the population of the State it conquered, it will destroy its economic market (*ibid.*).

Cooperation does not exclude competition, but while warfare produces poverty, trade is better than territorial conquest since it entails benefits for all the actors involved, liberals argue. The farther one goes away from physical force, the better, Angell argued. Although it might appear as a paradox, countries go to war because they desire peace (Angell 1935): thus, war is made not only of malign but also of good intentions. In the long run, the idea that conquest and war can bring greater economic benefits and advantages in both market and trade is a fallacy (Angell 2015 [1910]). Angell spoke of "vital interdependence" (*ibid.*), prompting the importance of norms in International Relations (Angell 1935). Only if peer-agreed norms are shared among partners, long-term pacification and prosperity among them will be achieved. Conforming to liberalism, Angell warned also against the self-destructive nationalism and imperialism that leads to war and economic losses.

However, critics of liberalism argue that "liberal theory is not sufficiently grounded in international trade theory to show how globalization generates constraints on military force, nor it does adequately link these constraints to strengthened peace" (Rowe 2005). Based on his analysis of the classical economic school to which economic interdependence facilitates peaceful relations among states, Angell postulated that the rise of industry and peaceful trade worldwide would make the future potentially bright for anyone. Before World War I trade itself was threatened by imperialism, chauvinism, and militarism (Berghahn, 2014). According to proponents of trade liberalism, interdependence creates extensive levels of trade investment to the point of increasing the opportunity-cost of going to war (Ripsman Blanchard, 1996). Unlike imperialism, liberalism focuses on peace, interdependence, and the importance of trade promoting, widespread peace, freedom, and democracy (Long 2006).

Liberal institutionalism that started to spread after World War I's end is an element that federates these concepts. One of the aims of U.S. president Woodrow Wilson's "14 points" (1918) was indeed to create a peaceful new world order sheltered from authoritarian temptations, nationalism, economic protectionism, and the arbitrary settlement of territorial disputes using force – typical of XIX-century imperialism. In an address to Congress on January 8th, 1918, Wilson proposed a 14-points program for world peace. These points were to be the blueprint for the new world order. While condemning autocratic imperialism – defeated after World War I, Wilson wanted to ensure greater security through peace and institutions. A new organization was to federate States and manage conflicts. The first point is on open

covenants of peace; the second is the freedom of navigation. The third is linked to Angell's economic theories.

"The removal, so far as possible, of all economic barriers and the establishment of an equality of trade conditions among all the nations consenting to the peace" (Wilson 1918a). A guarantee that armament would be reduced was desirable (point 4), as was an adjustment of colonial claims (5), and the evacuations of all Russian (6), Belgian (7), Rumanian and Serbian (11) territories. France should be freed, and Alsace-Lorraine should be granted back (8); Italian borders readjusted (9), while the new nations emerging from the Austro-Hungarian empire "should be accorded the freest opportunity to autonomous development" (*ibid.*) (10); the same for the former Ottoman empire (12) and Poland (13). Finally, "a general association of nations must be formed under specific covenants to afford mutual guarantees of political independence and territorial integrity to great and small states alike" (*ibid.*) (14). This association will be later known as the League of Nations.

"The right is more precious than peace, and we shall fight for the things which we have always carried nearest our hearts for democracy" (Wilson, 2017). Wilson (1918a) wanted to propose a peace process. In the War's aftermath, the "Wilsonian moment" promoted a series of transformations and norms in international relations that changed the world (Manela, 2007). The U.S. president advocated for the right to people of self-determination (Lynch, 2002), and his promise of a global new order captured the world's imagination. Europe looked to Wilson for salvation; conversely, the desire to make the world safer for democracies was Wilson's dream. The president believed that peace depended on the extension of democracy and that ethics applied to states (*ibid.*). In the process of building international institutionalism, Wilson wanted to restore confidence among the nations in the laws (Wilson, 1918a), possibly agreeing on new international norms.

Wilson laid the elements of American foreign policy for the next one hundred years (Trickey, 2017), promoting collective security, open economy, and international institutions (Taylor, 2020). He advocated for free trade policies, that would have created greater interdependence among the States (Siraut, 2018), in continuity with Angell's theories. Achieving collective security was to be the League of Nations' first goal, which promoted a new model of International Relations (Manela, 2007). On December 21st, 1918, at the University of Paris, Wilson said that the new league would "operate as the moral force of men throughout the world and that whenever [...] aggressions are planned [...], this [...] light of conscience will be turned upon them" (Wilson, 1918b). Wilson also promoted the League as containment for Bolshevism (Konrad, 2014), but the League eventually laid down the theoretical foundations for an ideal world confederation based on dialogue and interstate cooperation.

Others in Europe hoped for the creation of a peaceful federation of states after World War I. This was the main topic of "Pan Europa" (1923) by Richard Coubenhove-Kalergi. European unity was not only an element revived by the reinvention of liberalism but also a condition enabling European countries to fight the external enemy and maintain the independence of the continent vis-à-vis the U.S. and Russia. Kalergi was the forerunner of united Europe and imagined a world divided into continents in which pan-Europe stood among the American and Russian empires. He also listed the enemies of Pan-Europe in World War's aftermath: communists, militarists, and nationalists, the enemies of the liberal State – and de facto promotors of new imperialisms. In syntony with Angell, Kalergi advocated for a post-War unified Europe that would prevent war to solve controversies: only by the peaceful union into a pan-European Federation, Europe will not be conquered by Russia or the U.S.

Few were determined to achieve a united Europe, which would depend on the will of Europeans (Coudenhove-Kalergi 2019 [1923]). In a Wilsonian way, Kalergi explained that Pan-

Europe was the only salvation (*ibid.*). The idea of the United States of Europe was not new, but after the War it gained much credit as a deterrent to future conflicts, helped by free trade and the free movement of people. If the liberation of the peoples of Europe will not be completed by their union, then the European states will be devoured by the larger States (*ibid.*). The author adopted an anti-imperialist posture and called for a policy of peace in Europe toward the two geopolitical giants and points out the dangers of a disunited Europe: from Bolshevism to nationalism. Kalergi pointed the finger against nationalism and while stressing the desired peaceful unity of Europe, he implied that this shall be realized via institutionalism and free trade. A new war in Europe would give it the coup de grace (*ibid.*).

In the early Twenties, Europe was no longer at the center of the world: European hegemony was broken after the War. The Franco-German issue was at the heart of Kalergi's analysis. He predicted that it will be only a matter of time, before Paris and Berlin will embrace prosperous interdependence, promoting long lasting peace. The peaceful union between France and Germany will mean the Union of Europe. Kalergi acknowledged Wilson's effort in establishing the Pan-American organization across the globe through the League of Nations but called it a failure (*ibid.*). However, he agreed with Wilson's diagnosis and reinforced a concept dear to liberalism: that anarchy among States might lead to new wars. Kalergi condemned nationalism and the promotion of unity and peace among post-imperial nations instead. Echoing Wilson, Kalergi affirmed that political hatred among States would disappear if economic and national causes were suppressed (*ibid.*).

Thus, trade does not simply mean a customs union, but a political union among peoples too seems to be the best solution in World War I's aftermath according to the author. Until an organization such as Pan-Europe exists, Kalergi states, the League of Nations will be only an international forum, with little political significance. A society of nations must be based on cooperation among democracies. Already in early 1923, Kalergi saw Europe at the brink of a new war if peaceful unity among the Europeans was not achieved. A transnational subject such as Pan-Europe advocated for peace and dialogue. A "war of extermination", so he called it, was upon Europe and its people. A new liberal and non-imperialist Pan-Europe should federate itself in a mixture of peoples to discourage nationalist temptations. Federation and unity of the Europeans would provide collective security, and protection against a Russian invasion, and was compatible with disarmament (*ibid.*).

Liberalism theoretically strengthened, practically weakened

Except for the British and French empires, the War transformed Europe from a continent of empires to a continent of nation-states (Gerwarth 2017). The war led to a new order in Europe (Konrad 2014), and liberalism gained credit as an antidote and response to the horrors that took place on European soil. Liberalism as a foreign policy was, in a sense, reinvigorated thanks to the war, at least in Western Europe. Three core elements of it were reinvigorated. Firstly, the fact that trade leads to peace, as explained by Angell, who with "The Great Illusion" theorized commerce's superiority to preserve global security. Secondly, that institutionalism, democracy, and self-determination strengthened states and eased cooperation among them, as advocated by Wilson and his "14 Points". Lastly, that peaceful European unity to fight the external challengers and get independence will benefit, according to Kalergi and his "Pan Europe", the European people.

This essay argued that liberalism emerged theoretically strengthened from the World War I's aftermath. It might also be argued that from 1918 on, instead of being reinvigorated, liberalism was discredited too. "The Wilsonian moment ended in ignominious collapse, its promise fading into bitter disillusion" (Manela 2007, 6). The reinvention of liberalism through trade and commerce, institutions and self-determination, unity and cohesion was not the "End of History", since Fascism, Nazism, and Communism – three new kinds of imperialism that sparked a second world war – were the results of the Great War's aftermath. The beginning of

a new liberal order in 1918-9 did not mean that it would last forever or that it had no opponents. Indeed, imperial autocracy was replaced by collectivist totalitarianism. Both from the left (Communism) and the right (Nazism and Fascism), totalitarian regimes had as their main goal the dismantling of liberalism.

The Wilsonian new world system, based on trade and institutions, was later put under severe attack by totalitarianism that weakened liberalism. And yet, even at the end of the Second World War, liberal values – including commerce, new institutions for collective security, and a sense of greater European unity – re-emerged. This witnesses how liberal values and liberalism as a foreign policy matter. Thus, after World War I, yes, the three elements analyzed emerged strengthened, but this alone did not prevent the emergence of totalitarianism. Compared to the wishes of Angell, Wilson, and Kalergi, the boundary between totalitarianism and liberal democracy turned out to be much blurrier than it seemed. Regardless of how it ended in the late Thirties, in the early Twenties, hopes were high for a new international liberal system that would pose trade, institutions, and peaceful unity at the center of post-imperial European States.

REFERENCES

Angell, Norman (2015 [1910]). *The Great Illusion. A Study of the Relation of Military Powers to National Advantage*. Jungle Land Publishing.

Angell, Norman (1935). "Peace and the Public Mind". From: https://www.nobelprize.org/prizes/peace/1933/angell/lecture/, 12.06.1935.

Coudenhove-Kalergi, Richard N. (2019 [1923]). *Pan-Europa*. Independently published.

Wilson, Woodrow (1917). "Making the World 'Safe for Democracy': Woodrow Wilson Asks for War". From: https://historymatters.gmu.edu/d/4943.

Wilson, Woodrow (1918a). "14 Points". From: https://www.archives.gov/milestone-documents/president-woodrow-wilsons-14-points.

Wilson, Woodrow (1918b). "Address at the University of Paris, December 21st, 1918" in Link, Arthur (Ed.), *The Papers of Woodrow Wilson (69 vols. 1966-1994)*, 53: 462.

Secondary sources

Berghahn, Volker R. (2014). "Origins", in Winter, Jay M. (Ed.), *The Cambridge History of the First World War. Volume II: the State*. Cambridge: Cambridge University Press.

Clarks, Christopher (2013). *The Sleepwalkers. How Europe Went to War in 1914*. London: Penguin Books.

Compagnon, Olivier; Purseigle, Pierre (2016). *Geographies of mobilization and territories of belligerence during World War I. Annales (Paris): histoire, sciences sociales*, Vol. 71, Num. 1, pp. 37-60, DOI: https://doi.org/10.1017/S2398568217000024.

Dornik, Wolfram (2014). "A School of Violence and Spatial Desires? Austro-Hungarian Experiences of War in Eastern Europe, 1914–1918", in Bürgschwentner, Joachim; Egger, Matthias; Barth-Scalmani, Gunda, *Other Fronts, Other Wars? First World War Studies on the Eve of the Centennial*. Leiden: Brill Academic Pub.

Gerwarth, Robert (2017). "1918 and the End of Europe's Land Empires", in Thomas, Martin; Thompson, Andrew S. (Eds.), *The Oxford Handbook of the Ends of Empire*. Oxford: Oxford University Press.

Green, Daniel M.; Denemark, Robert A. (1999). "Cycles of Liberalism in the Twentieth Century". *Humboldt Journal of Social Relations*, Vol. 25, Num. 1, pp. 31-64.

Hobson, John A. (1965 [1938]). *Imperialism*. Ann Arbor: University of Michigan Press.

Joll, James (1984). *The Origins of the First World War*. London: Longman.

Konrad, Helmut (2014). "Drafting the peace", in Winter, Jay M. (Ed.), *The Cambridge History of the First World War. Volume II: the State*. Cambridge: Cambridge University Press.

Howard, Michael (1993). "A Thirty Years' War? The Two World Wars in Historical Perspective", in *The Prothero Transactions of the Royal Historical Society*, Vol. 3, pp. 171-184, DOI: https://doi.org/10.2307/3679140.

Manela, Erez (2007). *The Wilsonian Moment: Self-Determination and the International Origins of Anticolonial Nationalism*. Oxford. Oxford University Press.

Meiser, Jeffrey W. (2018). "Introducing Liberalism in International Relations Theory". From: https://www.e-ir.info/2018/02/18/introducing-liberalism-in-international-relations-theory/, 18.02.2018.

Milevski, Lukas (2020). "Modern liberal wars, illiberal allies, and peace as the failure of policy". *Defense & Security Analysis*, Vol. 36, Num. 3, pp. 300-313, DOI: https://doi.org/10.1080/14751798.2020.1790808.

Mombauer, Annika (2015). "Guilt or Responsibility? The Hundred-Year Debate on the Origins of World War I". *Central European History*, Vol. 48, Num. 4, pp. 541-564, DOI: https://doi.org/10.1017/S0008938915001144.

Morrow, John H. (2014). "The Imperial Framework", in Winter, Jay M. (Ed.), *The Cambridge History of the First World War. Volume II: the State*. Cambridge: Cambridge University Press.

Long, David (2006). "Liberalism, Imperialism, and Empire". *Studies in Political Economy*, Vol. 78, Num. 1, pp. 201-223, DOI: https://doi.org/10.1080/19187033.2006.11675107.

Lynch, Allen (2002). "Woodrow Wilson and the Principle of 'National Self-Determination': A Reconsideration". *Review of International Studies*, Vol. 28, Num. 2, pp. 419-436, DOI: https://doi.org/10.1017/S0260210502004199.

Ripsman, Norrin M.; Blanchard, Jean-Marc F. (1996). "Commercial liberalism under fire: Evidence from 1914 and 1936". *Security Studies*, Vol. 6, Num 2, pp. 4-50, DOI: https://doi.org/10.1080/09636419608429305.

Rowe, David M. (2005). "The Tragedy of Liberalism How Globalization Caused the First World War". *Security Studies*, Vol. 14, Num. 3, pp. 407-447, DOI: https://doi.org/10.1080/09636410500323153.

Siraut, Mark (2018). "Woodrow Wilson's 14 Points and the Liberal World Order". From: https://www.mironline.ca/liberal-world-order-myths/, 18.01.2018.

Taylor, Samatha A. (2020). "The Ruse of the Liberal World Order". From: https://warroom.armywarcollege.edu/articles/liberal-world-order/, 29.04.2020.

Trickey, Erick (2017). "How Woodrow Wilson's War Speech to Congress Changed Him – and the Nation". From: https://www.smithsonianmag.com/history/how-woodrow-wilsons-war-speech-congress-changed-him-and-nation-180962755/, 03.04.2017.