

The Concept of the World Economy: Intellectual Histories

Veranstalter: Wissenschaftszentrum Berlin für Sozialforschung - Berlin Social Science Center, WZB

Datum, Ort: 30.05.2014–31.05.2014, Berlin

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In the midst of a broader upsurge of interest with questions related to political economy, a growing number of scholars have become concerned with excavating the conceptual history of the world economy. Though its contemporary ubiquity suggests a lengthy history, the world economy did not become a subject of discussion among economists until the second half of the nineteenth century. „The Concept of the World Economy: Intellectual Histories,“ organized by Quinn Slobodian (Wellesley College) and Dieter Plehwe (Wissenschaftszentrum Berlin für Sozialforschung, WZB) brought together scholars from a variety of fields to investigate the emergence and subsequent career of the idea of the „world economy.“ Sitting at the juncture of political, economic, and intellectual history, conference participants covered subjects ranging from commerce on the Indian Ocean during the nineteenth century to the proliferation of the „Peters World Map“ in the 1970s.

The conceptual history of the world economy has always been linked to changes in economic life, a point highlighted by both papers in Panel One. CATHERINE DAVIES (Berlin) launched the conference with a transatlantic history of the Panic of 1873 and the ways contemporaries deployed theories of world trade to make sense of the crisis. Although the Panic spread across national borders, it did not encourage a wholesale flight to nationalist autarky. These were, after all, also the years in which the international gold standard became a basic element of global political economy, thanks in no small part to the belief that it could prevent future panics. But internationalism did not go unchallenged, as the revival of protectionism witnessed in this decade also attested. The con-

flicting visions of the world economy offered by proponents of internationalism and protectionism also appeared in the Panel's second paper, from JULIA LAURA RISCHBIETER (Berlin), read by JOSHUA RAHTZ (Los Angeles). Using disputes over coffee tariffs in Germany in the years preceding World War I as her entry into much larger debates, Rischbieter explored the divergent logics marshaled by those who wished to subordinate national policy to an autonomous „world economy“ and those who believed the nation could erect borders protecting its industries from global competition.

But the intellectual history of the world economy cannot be reduced to economics, a point made by both presenters in Panel Two. As MARTIN BEMMANN (Freiburg) observed, although historians today refer to the decades before World War I as the zenith of a „first wave of globalization,“ at the time people rarely used the phrase „world economy.“ Although the Germans were precocious in this territory, English and French authors did not draw upon the concept in large numbers until the aftermath of the Great War. The spread of discussion about the world economy, Bemmman argued, was closely tied to the work of another postwar invention: the League of Nations, more specifically its Economic and Financial Organisation, which in the 1920s and 1930s led major forays into the collection and analysis of economic statistics at a global level. Connections between the production of statistical data and shifting understandings of economy – what could also be described as the relationship between the history of knowledge and the history of ideas – was also at the center of TIMOTHY SHENK's (New York) examination of an emerging politics of the economy in the United States during the 1920s. Focusing on the career of Wesley Mitchell, a favorite of Herbert Hoover's and leading force behind the founding of the National Bureau of Economic Research, Shenk drew attention to a larger change in American politics from a debate attuned to the needs of „society“ to one increasingly dominated by the alleged needs of „the economy“ – an entity that economists like Mitchell helped bring into being through advances in national income accounting and,

later, the development of sophisticated mathematical models.

Economists also preoccupied the contributors to Panel Three. Returning to the intellectual history of the world economy, QUINN SLOBODIAN (Wellesley, MA) examined the uses the concept played in the work of Ludwig von Mises in the decade following World War I. Throughout this period, Slobodian argued, Mises's economics were structured by the opposition between economic governance at national and global scales. In Mises's work, the global invariably trumped the national. When commodities and capital flowed with ease across borders, productivity was maximized and policymakers forced to submit to the logics of a global market. Mises's conviction helps account for rhetoric that would otherwise seem unhinged, including his assertion that „each and every strike is terrorism,” and that such protests would „inevitably lead to the destruction of society.” Global visions of the kind espoused by Mises gained increasing plausibility in the 1920s thanks to a surge in the number of conferences and organizations dedicated to making global economic governance a reality. One of those groups, the International Institute for Intellectual Cooperation, or IIIC, was at the center of HAGEN SCHULZ-FORBERG's (Aarhus/Berlin) paper. The IIIC was one part of a larger attempt to rethink liberalism in the interwar period – a history that is crucial to understanding the spread of neoliberalism in the postwar. Though scholars have highlighted the importance of the 1938 Lippmann Colloquium to the origins of neoliberalism, Schulz-Forberg convincingly demonstrated that the Lippman Colloquium was a late arrival in a more diverse institutional history.

Breaking from the first day's focus on twentieth-century economists and bureaucrats, a keynote from ANDREW ZIMMERMAN (Washington, DC) introduced G.W.F. Hegel, Karl Marx, Max Weber, and zombies to the discussion. Beginning from the premise that interpretations of the world economy are always bound up with larger partisan projects, Zimmerman contended that Hegel and Marx drew upon knowledge created by rural insurgents across the Atlantic world to create a kind of revolutionary knowledge that

Max Weber challenged with his own brand of counterinsurgent knowledge. The interplay of culture, race, and class wove through Zimmerman's talk, which ended with a consideration of Mao Zedong, Ranajit Guha, and George Romero's thriller „*Dawn of the Dead*” – all of which, Zimmerman insisted, supply potential elements of a new way of understanding the world economy that might combine „the prose of counterinsurgency with the poetry of zombies.”

The workshop's fourth panel considered the question of international economic governance during the interwar period. JAMIE MARTIN (Cambridge, MA) used the work of Arthur Salter, the first head of the League of Nations' Economic and Financial Section, to examine the complexity of economic policymaking before the emergence of a „hegemonic 'lingua franca' of macroeconomic expertise.” In 1930, a request for advice on the establishment of an Indian national economic council issued by the British colonial government sent Salter to India. Salter produced the requested recommendations, but he had to overcome considerable obstacles to do so, including objections from his colleagues that collecting basic statistics like national income was both „technically impossible” and „useless.” Although Salter's program was never adopted, his proposals received the careful attention of economic nationalists within India, whose blueprints for state-led programs of national economic development borrowed from Salter's earlier attempt to tie India's colonial government into an international order superintended by the League. JOSÉ SANCHEZ ROMAN (Madrid) considered another aspect of the League's economic work: its attempts to create an international tax regime to prevent double taxation and tax evasion. Certain Latin American states, such as Argentina and Venezuela, attempted to shape this work, but encountered strong opposition from the European-dominated League of Nations. In the 1930s and early 1940s, however, the work of League experts proved crucial in shaping American multilateral economic policies in Latin America.

While many of the workshop's papers focused on the invention of the „world econ-

omy" as a discursive object, GOPALAN BALACHANDRAN (Geneva) considered what it might mean to „uninvent“ dominant understandings of „world economy“ today. Most now tend to think of the world economy as characterized by long-distance commodity trade. This view, however, is relatively new: it was promulgated during the nineteenth century and reflects a particular form of international commerce that developed as the result of North Atlantic global economic and imperial dominance. Revisiting the economic history of the Indian Ocean during this period, Balachandran argued, uncovers the existence of a diverse array of alternative economic institutions, practices, and ideas to those of the Atlantic-centric economic order we take for granted today as a model for the world economy. ANDREW ZIMMERMAN (Washington, DC) then used the history of slave resistance in the nineteenth-century Mississippi Valley to explore the idea of the „hidden abode of production,“ a term coined by Marx to describe sites of capitalist exploitation that exist away from the relations of the market. Decoupling the oft-conflated concepts of capitalism and the market, Zimmerman suggested, is crucial for future research on the history of capitalism, which is better studied as a regime of production than one of distribution.

MALGORZATA MAZUREK (New York) offered a complementary genealogy of twentieth-century understandings of core-peripheral relations through her analysis of a largely-forgotten tradition of Eastern and Central European economic thought. The Polish economists Ludwik Landau and Michał Kalecki in the 1930s – inspired by Marxist theories of the world economy (particularly those of Rosa Luxembourg) – developed influential theories and statistical practices to describe semi-capitalist peripheral regions, both in Eastern Europe and the Global South. While this work never achieved a large international audience – Landau was killed during the Holocaust – it provided a crucial source of ideas for the young discipline of development economics, which rose to international prominence after the Second World War. MATTHIAS SCHMELZER (Geneva) explained how the macroeconomic abstraction at the center

of this postwar development imaginary – national income – was first standardized as a globally-applicable measurement. After 1945, international organizations such as the OEEC and the UN successfully internationalized techniques of national income accounting developed in Britain and the United States around the Second World War. It was only after the global standardization of macroeconomic figures like the Gross National Product, Schmelzer argued, that it became possible to describe and measure the world economy as an aggregate of national economies.

DAVID KUCHENBUCH's (Gießen) paper shifted the workshop's focus away from the science of the world economy to ethical globalist thought and mobilization during the twentieth century, including the ecological and demographic work of the Club of Rome from the 1970s and the international activism of the Brandt Commission of the 1980s. While an array of European and American postwar „One Worldist“ ethics brought problems such as ecological degradation and global economic inequalities to the center of international political debate, they also tended to share a belief in the emancipatory potential of free global markets. It may not be a coincidence, Kuchenbuch suggested, that their emergence to prominence coincided with the rise of neo-liberal ideology. DIETER PLEHWE (Berlin) concluded the workshop's panels by investigating the long intellectual afterlife of the work of one of the very earliest systematic theorists of the world economy – Bernhard Harms, the founder of the Kiel Institut für Weltwirtschaft in 1914. Plehwe looked, in particular, at how the influential German economist Herbert Giersch revived and radicalized Harms's theories of the world economy in the 1980s in his calls for the removal of national economic regulation for the sake of complete global economic integration. By revisiting the largely-forgotten Giersch, Plehwe suggested a new demarche for the history of neo-liberalism – which, with its predominant focus on the United States, has tended to overlook influential strands of neo-liberal thought in postwar Europe.

The workshop concluded with a roundtable discussion of the themes, controversies, and

political implications of the papers presented. It focused, in particular, on the methodological challenges that accompany studying the idea of the world economy. The options considered were numerous: from Foucauldian genealogical approaches, to those of the „new international history.“ But that diversity was greeted as a welcome attribute for a field that is still young – though a little closer to maturity following this conference.

Conference Overview:

Panel 1. The First Wave of Globalization

Moderator: Simone Müller-Pohl (Freiburg)

Julia Laura Rischbieter (Berlin), The Problematic Nature of the Global Economy. The Invention of the World Economy as Political Pseudo-Constraint on Economic Policy during the German Empire

Catherine Davies (Berlin), ‘We are Isolated, cut off from abroad...’

Debating Financial Panics, Contagion, and Monetary Entanglement in a Post-Panic World, 1873-1880

Panel 2. Economic Knowledge After the Great War

Moderator: Anne Zetsche (Newcastle)

Timothy Shenk (New York), From Money Economy to the Economy: The Case of the National Bureau of Economic Research

Martin Bemmann (Freiburg), ‘One World in Statistics’: Did the League of Nations’ Survey of Global Economic Processes Help to Shape the Notion of a Single World Economy?

Panel 3. Competing World Visions in the 1930s

Moderator: Kim Priemel (Berlin)

Quinn Slobodian (Wellesley, MA/Berlin), The Empire of the World Economy: How Mises and Hayek’s Circle Started with the Whole Earth

Hagen Schulz-Forberg (Aarhus/Berlin), One World for Sure but which One?: Transnational Efforts at Norm-making for an Economic Order in the 1930s

Panel 4. Geneva and the Periphery

Moderator: Dieter Plehwe (Berlin)

Jamie Martin (Cambridge, MA), A Thinking Machine for India: The League of Nations and the Invention of National Economies in Asia

José Sanchez Roman (Madrid), Multilateralism or Americanization? Latin America, the US and the Fiscal Committee of the League of Nations

Keynote Lecture

Andrew Zimmerman (Washington, DC), From Rural Insurgency to the World Economy: Hegel, Weber, Marx

Panel 5. Categories: Ocean, Space, Labor

Moderator: Lauren Stokes (Chicago)

Gopalan Balachandran (Geneva), Atlantic Paradigms and Aberrant Histories: On World Economies Beyond Time and Place

Andrew Zimmerman (Washington, DC), What’s Hidden in the Hidden Abode of Production?

Panel 6. Global Measurement in the Development Era

Moderator: Rüdiger Graf (Bochum)

Małgorzata Mazurek (New York), Measuring Backwardness: Eastern European Concepts of World Economy (1900-1939)

Matthias Schmelzer (Geneva), Measuring Growth: The International Standardization of National Income Accounting

Panel 7. The Neoliberal Transformation of the World Economy?

Moderator: Joshua Rahtz (Los Angeles)

David Kuchenbuch (Gießen), Globalism after the Fact? ‘One-World’-Ethics in the Federal Republic of Germany and America in the 1970s and 1980s

Dieter Plehwe (Berlin), From Embedded Liberalism to Cosmopolitan Capitalism: Herbert Giersch and the Radicalization of Neoliberal Economic Thought

Concluding Discussion

Tagungsbericht *The Concept of the World Economy: Intellectual Histories*. 30.05.2014–31.05.2014, Berlin, in: H-Soz-Kult 19.01.2015.