

44 CATS

A GLOBAL HISTORY OF GLOBALIZATION



EDITED BY
ANDREA COLLI

HYPERBOOKS

The world's history is a history of global events. Events which shaped the making of the present. If you want to understand the present, you need to study history and to study it in depth, sorry. This book is about the making of today. It is a compelling narrative of the origins of all what worries our present: instability, disequilibrium, fear, and uncertainty. It is the narrative of the fragility, but also of the strength of modern civilization, so great and so scary, so fascinating and so repulsive.

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HYPERBOOKS

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Introduction

The Age of Uncertainty is the title of a bestseller by the American economist and historian J.K. Galbraith. Published in 1977, the book was a nostalgic reflection on the end of the Golden Age of the postwar economic boom, and a contemplation on the uncertainty of the present characterized by oil shocks, while international economic and financial stability were at stake. International political tensions mounted in the already over-tense scenario of the Cold War, the ongoing confrontation between the US and the Soviet Union. In Latin America dictatorships and authoritarianism were quickly spreading. Then, thanks to the humorous tricks of history, almost suddenly everything started to change. Just a couple of years after the publication of Galbraith's book in 1979 (and in the middle of the endemic international crisis culminated in the Soviet invasion of Afghanistan) an event shocked the world, the re-establishment of China-US relations, which followed the decision of the new Chinese leadership to start a process of reforms which would lead the Asian country, soon, to restart relations with the international community after decades of isolation.

Afterwards, an unstoppable avalanche of events followed: at the beginning of the Eighties, some cracks begun to appear in the grey wall of the iron curtain, started by a small group of Polish workers in a remote shipyard in Danzig. The Soviet Union was quickly changing – in 1985 the elected President Michail Gorbachev initiated a process of reforms that would effectively end in the dissolution of the Soviet Union, and of the leaden atmosphere of the Cold War years. The Cold War ended shortly after when a new phase of «miracles» seemed to restart. In the new geopolitical climate, and thanks to a new technological revolution which was making transportation cheaper and communication enormously faster – resulting again in a new era of further time-space compression - «globalization» restarted again. Looking back (and thinking over), the 1990s turned out to be a new «golden age» in many respects. In Western Europe,

it was a decade of liberalizations and privatizations – in some sense, too much – and a time of further integration of markets and economies. In the US it was a time of rebirth, of a «new economy» based on new technological paradigms. In other countries, it was a time of an unexpected, promising future, as in the famous and celebrated BRICs – according to a fortunate acronym meaning Brazil, Russia, India, and China, on which bets for a future fast growth were placed. It was the time of the «Tigers», that is of Asian latecomers as Taiwan, Singapore, Hong Kong, who were able to build on their status as «global cities» a new citizenship of a world connected by global value chains. On closer inspection, it was a global rebirth – with some exceptions: most of Africa, and a part of the Middle East. In a provocative book titled *Head to Head: The Coming Economic Battle among Japan, Europe and America*, published in 1993, the US economist Lester Thurow stressed how, once the threat of the Cold War had disappeared, The world supremacy was a matter to be solved among the main powers that had been emerging as winners from the fight against communism: the good, old guys of capitalism. It was, in many respects, a beautiful moment: it was the moment in which, again, barriers fell down, people, goods, money, ideas and knowledge freely traveled, in a world that was once again, wonderfully connected, as it was a century before. This was amazing, but lasted for just a decade, until the explosion of global terrorism, and of another global crisis. Today, after forty years, «the Age of Uncertainty» is back as a title of books, articles, and workshops. The new global order built around the process of globalization is under threat by new forces, by terrorism, populism and mounting nationalism, in such a way that some are openly referring to the present as a phase of «de-globalization». It is time, in sum, to reflect about the process of global integration.

With the current phase of globalization under threat, there is clearly a need for some research on it – and historians, who have the mantra of the past, have a substantial say in this. Historians know a lot: for instance, they know that globalization comes in waves, and is not a linear process. They know well that glo-

balization can be stopped under certain conditions, and that globalization is by its very nature accompanied by the rise of nationalism and populism – which are a reaction to the inequality created by globalization. They know well that globalization has technological components, as in the past. But they know also that technology is not enough to globalize if other forces – basically, institutional forces, and cultural attitudes – do not allow its effects to deploy. When migrants flows across the Oceans towards the «Land of Liberty», America, dried up after the Great War, it was not the fault of transport technology – it was mounting xenophobia, translated into institutional barriers to immigration.

Historians have in sum a say on globalization – which is the key dimension of this book. Globalization is however a phenomenon much more complex than the (anyway highly complicated) overall increasing flows of goods, people, and finance across borders. In the perspective of this book, globalization is also the sum of phenomena which are, by definition, global, in the sense that they a) take place on a global scale (that is, the scale of the world) or b) when they take place in a certain space-time dimension, they immediately acquire a global dimension. During the interwar period, for instance, fascism and authoritarianism were phenomena on a global scale, while the great crash of 1929 started locally, but immediately had a global reach.

For this reason, this book is not only a history of globalization over the last two centuries, but is also a history of global phenomena.

While I am writing this introduction, on November 7th, 2017, newspapers are (at least some) reporting the fact that one hundred years ago, in Russia, a revolution took place which was going to change, for decades, the shape of the world. The Communist Bolshevik *coup d'état* lasted for more than 70 years, and directly affected not only the lives of Russians, Siberians, Georgians, Ukrainians, and many other ethnic groups living under Soviet rule, but the life of the whole world – who lived under the constant threat of an ongoing confrontation (the Cold War). This was a global phenomenon. But, while I am writing, peo-

ple are much more concerned (and with very good reasons) with the turmoil in Catalonia over the controversial issue of independence from Spain, than remembering the «October Revolution» (to some extent, an embarrassing event also for the current Russian leadership, more nationalist than internationalist, and interested in concluding a powerful alliance with the Russian Orthodox Church, notoriously anticommunist). A global phenomenon (communism), in sum, is definitively over, while others (for instance, regional nationalism) are emerging.

In any case, global phenomena are events and institutions that have a global outreach, even in phases of increasing de-globalization, like empires and colonies, wars, economic and financial crisis, ideologies as fascism and communism, and several others: all protagonists of this book's chapters.

Global phenomena take place over time, and show very well how the world is, in any case, always interconnected, even when globalization seems to give way to de-globalization, to such an extent that autarky and closure were, in themselves, global phenomena, which have, in their turn, a history, that is also narrated in this book.

In sum, one can see this book as a history of globalization, and a history of global phenomena. Or, maybe, a history of the global «occurrences» which, in the end, are creating the great picture of the global world in which we all live in.

This book is a quite complex book, in many respects.

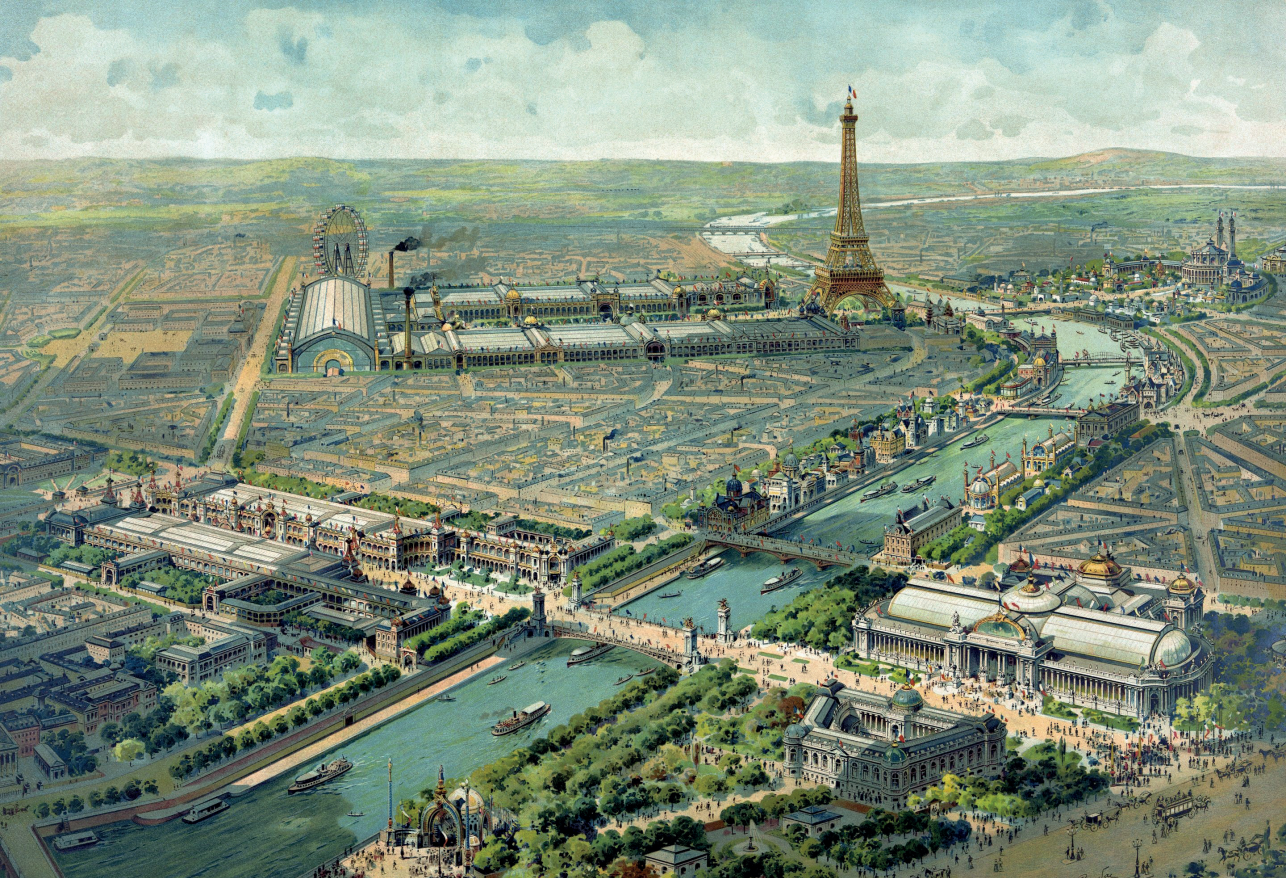
First, in its structure. It is a chronological book narrating the history of globalization through the history of global phenomena, each one described and analyzed in each of the book's twelve chapters. There are therefore at least two levels (that of globalization, and that of global phenomena) that one can read.

Second, it has been a collective effort: the book has been written jointly by the students of a course (academic year, 2016-1017) in Global History at Bocconi University, taught in the Bachelor in International Politics and Government, and by their professor. When I asked, at the end of the course – which students seemed to appreciate, except for the lack of a proper textbook – how many would be interested in collaborating in jointly writing a

text, I was expecting four, or a maximum of five, volunteers. In the end more than *forty* people wanted to join, half of the whole class. Together with me, Rosa Gobbi and Asli Ebru Sanliturk, who both greatly supported this effort, we numbered forty-four, exactly the same number of cats in the old Italian pop song for children, «Quarantaquattro Gatti» – the name of this collective of writers. Of course this group required considerable coordination effort, but it was also, for me, an amazing stimulus. The book therefore mirrors a lot of the students' impressions and interests, as well as, of course, their professor's own ideas. In my dreams, it has also stimulated their curiosity about history, as an instrument to better understand how the present global world was shaped. In sum, although this is a collective effort, as editor and coordinator of the book, I am the only person responsible for the content.

Besides the students, this book has been made possible by the joint effort of many people who trusted in and supported the project: Carlo Altomonte, Anna Angius, Vincenzo Galasso, Roberto Gamba, Orsola Matrisciano, Annalisa Prencipe, Lara Scalvinoni, Michelangela Verardi.

Andrea Colli
November 2017



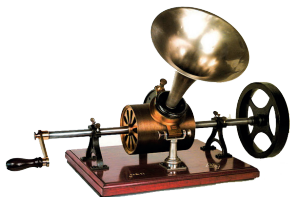
CHAPTER 1

The World of Yesterday

Learning goals

- Define the first wave of globalization and its components
- Understand globalization as a recurring and man-made phenomenon

Chapter soundtrack



Listen to Jacques Offenbach, *Galop infernal*, 1858
and Georges Bizet, *Ouverture (Carmen)*, 1875

1.1 The World of Yesterday

Our journey begins by borrowing a phrase used as a book title in 1942, *The World of Yesterday: Memories of a European* by the Austrian writer Stefan Zweig.¹ In his memoirs the author provides an effective and emotional glimpse of how the world prior the World War One (hereafter, WW1, or also Great War) – that is, the World of Yesterday – appeared.

Yesterday's World refers to the global order spanning from the nineteenth century's Industrial Revolution to the beginning of WW1 and of the so-called Short Century, starting in 1914, or more precisely, at the beginning of the 1920s.

The World of Yesterday was marked by three important features: it was borderless, technological, and mainly «Western». As one digs deeper into these features, many strong resemblances with today's world will become clear. Today's world is currently, and for the moment, a much globalized one. From a broad, long-term perspective, however, globalization has been an ongoing process, moving in oscillating waves. The nineteenth century was characterized by a remarkable rise in the level of integration of the world economy, as the progressive abolition of trade barriers and the growth of capital mobility and cross-border investments demonstrate. But trade flows are only one aspect of the openness that characterized the second half of the nineteenth century. Starting from the mid-century, mass migration accelerated everywhere, and an endless stream of people started crossing land and sea, permanently or semi-permanently relocating themselves. It has been calculated that during the second half of the nineteenth century at least 60 to 70 million people migrated following long-distance routes, across the Atlantic, the Pacific, to Siberia and across Asia. Migration was mainly due to necessity, but also took place within the framework of a cosmopolitan culture, which was progressively consolidating everywhere. Space was continuously shrinking, and the idea of global citizenship as a distinctive feature of the «modern» world spread as a natu-

FIGURE 1.1 Immigrants arriving at Ellis Island, Upper New York Bay in 1902



ral consequence of the increasing global openness and inter-connections: in short, «cosmopolitanism» fascinated many, not only because the possibility of physically traveling in a virtually borderless world without barriers made (and still today, makes) globalization part of everyday life. Thanks to the permeability of borders, the vast majority of people were migrating for reasons of their own welfare, and only seldom escaping wars. Consider the story of the *Titanic* sinking in 1912. Now known as a favourite subject for novels and dramatic movies, the *Titanic* was first a transatlantic passenger steamship. It was carrying, in first class, wealthy, influential and famous people; a very large portion of its over 2,200 passengers, and an overwhelming portion of those who lost their life, were travelling in second class, and above all in the crowded third class. These were mostly migrants crossing the Atlantic, some for the first time, some back to their elective new motherland. The *Titanic*'s tragedy is a touching and sad outcome of this crossed, interconnected, networked, globalized world. The archives in Ellis Island, which record data about

every immigrant entering the US since 1892 – now digitalized and easily accessible – preserve the touching memory of this tumultuous flow of human beings. At the peak of its activity, between 1900 and 1914, approximately 5 to 10 thousand people per day passed through US immigration.

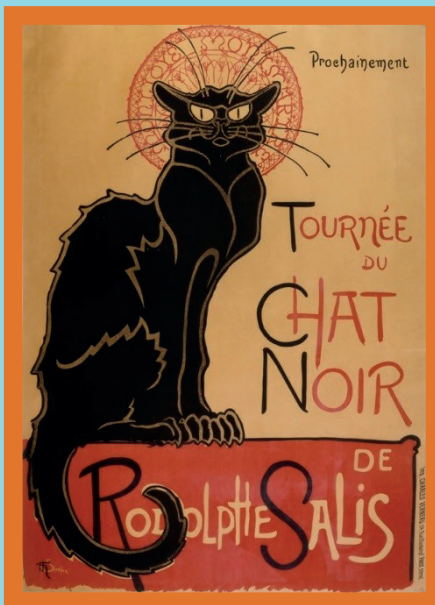
Europeans sailed everywhere, even to the most remote regions of the globe, such as Australia, New Zealand, Siberia. Asians moved as well. Massive Chinese migration, for instance, occurred in the American continent during the last decades of the nineteenth century. These diasporas, of course, revolutionized and disrupted local societies and labour markets, often resulting in punitive anti-immigration movements.

1.2 Paris 1900

The tokens and memorials of this epoch, not particularly different from the present, are still visible today. Probably the most effective, symbolic and fascinating is the giant *Tour Eiffel* in Paris. At the beginning of the nineteenth century the *Champ De Mars*, where the Tour still stands today was the most crowded place in an already crowded city – the venue of the International Exhibition in 1900. The Paris *Exposition Universelle*, which took place from April to November, was an iconic celebration of the world's new global identity forged during the decades following the Napoleonic wars. During the seven months of its opening, nearly fifty million visitors crowded the fair's pavilions, which allowed tourists to travel around the world in a nutshell. Walking the streets of the *Champ de Mars*, one couldn't help looking at the Eiffel Tower, but also at another wonderful attraction, the giant *Globe Céleste*, a potent symbol of an increasingly pervasive cosmopolitan and globalized vision of the world. Everything pointed towards the fascinating idea of cosmopolitanism in a borderless world. At the same time as the International Fair, Paris was also the celebrated host of the second edition of the Olympic Games, a tournament which, in its essence, was a celebration of universalism.

On the other side of the world in Shanghai, today foreign and Chinese tourists crowd the *Bund*, the old commercial riverside – one of the most photographed and «selfied» sites in the world as it faces Pudong, the financial centre in a forest of futuristic skyscrapers. The old, and generally disregarded buildings on the *Bund* have a history going back to China's semi-colonial past (see [Chapter 5](#)) when, between the mid-nineteenth century and the WW1, Shanghai played a prominent role as a truly «global city». On the *Bund*, amongst other heritage sites, one can admire a beautiful building, now a prestigious branch of the Bank of China, full of red Chinese flags. Built at the end of the 1880s, the palace shows the mark of the British architects who designed it. Among the rich marbles, the dome above the entrance hall contains pictures of London, Calcutta, New York, Hong Kong, and other «capitals of capital», in which the Hong Kong and Shanghai Banking Corporation (HSBC) – the bank founded by British capital to support overseas trading activities in East Asia

FIGURE 1.2 *Le Chat Noir* (1896), the first modern cabaret and a famous symbol from *La Belle Époque*



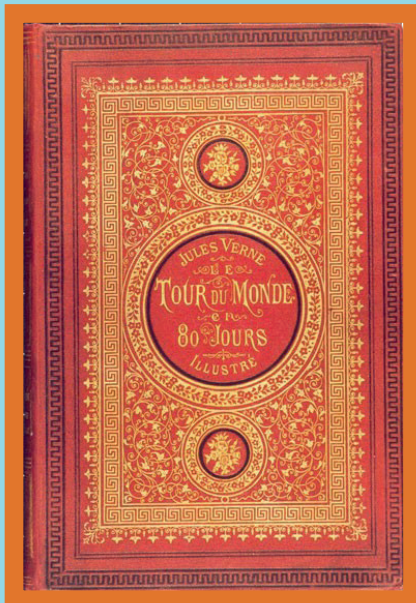
Le Chat Noir, in the bohemian Montmartre district of Paris, opened on November 1881 by the impresario Rodolphe Salis. It is thought to be the first modern cabaret, a nightclub where people sat at tables and drank alcoholic beverages while being entertained by a variety show on stage. In its heyday it was a bustling nightclub that was part artist salon, part rowdy music hall. From 1892 to 1895 the cabaret also published a weekly magazine with the same name, featuring literary writings, news from the cabaret and Montmartre, poetry, and political satire.

– the owner of the building, had its main branches. The story of *the Bund* illustrates not only how goods and people travelled without borders, but also how capital and money too, in a world characterized by a high level of financial integration only replicated after the 1970s.

Though the World of Yesterday was cosmopolitan, it was also technological. The French novelist Jules Verne (1828-1905) is a telling example of how the technological progress of the nineteenth century impacted, for instance, on fictional writing. In almost all of his best-known books, technological innovations and modern artefacts play a key role, always taking centre stage. In Verne's stories fabulous machines, made possible by new technologies, make the fantastic real and possible. It was possible to travel below the sea level, into earth's bowels, and into space. Above all, new technologies allowed people to travel fast, and in a much more organized and efficient way.

The essence of Verne's message, in a sense, is how «travelling» was deeply transformed by technology, which makes the modern

FIGURE 1.3 Cover of the first edition of *Around the World in Eighty Days*



First published in 1873, *Around the World in Eighty Days* is a classic adventure novel by the French writer Jules Verne. In the story, Phileas Fogg of London and his newly employed French valet Passepartout attempt to circumnavigate the world in 80 days on a £20,000 wager (the approximate equivalent of £2 million in 2017) set by his friends at the Reform Club. It is one of Verne's most acclaimed works.

Insight 1.1 The birth of modern science fiction

The history of science fiction as a literary genre dates from ancient times. Almost all myths and legends created in different parts of the world bear certain common features with the science fiction of today. National epics such as *Beowulf* (Old English), *Gilgamesh* (Sumerian/Mesopotamian), *Nibelungenlied* (German) and *Ramayana* (Hindu) as well as stories such as *Metamorphoses* (Ovid) and *1001 Nights* (Arabic) are examples of fantastical literature, which share their roots with modern science fiction despite their relative lack of scientific elements.

The early examples of modern science fiction emerged in the seventeenth and eighteenth centuries. Johannes Kepler's *Somnium* (*The Dream*), Francis Godwin's *The Man in the Moon*, Jonathan Swift's *Gulliver's Travels* and Mary Shelley's *Frankenstein* can be counted as prominent examples of early science fiction. However, Jules Verne and H.G. Wells are often credited as the «founding fathers of science fiction». Verne's and Wells' novels put scientific development and technological devices in the centre of their adventure and didactic stories respectively. The issues involved in both authors' works had influence on a global scale. Jules Verne is still the second most translated author in the world (after Agatha Christie) and his stories about travelling around the world, under the sea and into space inspired countless people to realize these «adventures». Though less popular than Verne, the issues in Wells' novels such as space travel, nuclear weapons, satellite television and the world wide web preoccupied people the world over in the twentieth century, and still do today. Wells coined the term «time machine» (also the name of one of his novels), a still popular issue in science fiction, and has a lunar crater named after him (the H.G. Wells crater) for his novel called *The First Men on the Moon*.

man totally different from his predecessors. The symbol of this is Phileas Fogg, the protagonist of the worldwide bestseller *Around the World in Eighty Days*, published in 1873. The impressive, brilliant and rich English gentleman who bet on being able to travel around the world, eastwards, in less than eighty days, was modelled on a real character, the American entrepreneur, financier and adventurer George Francis Train. Following the novel's success, would be adventurers tried to replicate the same performance, like for instance the American journalist Nellie Bly, who, in 1889, successfully circled the World in 72 days. Differently from Verne's other famous characters, like the cosmonaut Michael Ardan or the submariner Captain Nemo, however, Phileas Fogg

was not travelling into the future. Fogg was building an extraordinary performance by simply making use, in a creative way, of the new transportation and communication technology, already available when the novel was conceived. In his counter clockwise tour, Fogg used transportation at the height of technology: steamers allowing safe and strictly on-time trips; fast trains and even balloons. The recently opened Suez Canal (see below) allowed him to avoid the time-consuming circumnavigation of Africa. He communicated by telegraph, and was constantly updated about the most recent news thanks to the newspapers he found almost everywhere. A true cosmopolitan, he was at home everywhere in the world. He safely travelled barely showing his passport, thanks to the worldwide accepted sterling currency – after all, Fogg was an Englishman making a large part of his trip through British colonies and protectorates (India and Hong Kong), British informal dominions (China), recently westernized countries (Japan), and British former colonies (the United States of America). He almost never bothered using a language different from his own. With all his limits and negative sides – included a deep and adamant racism – Fogg is the symbol of a world deeply transformed during the nineteenth century by technology, which made it, for the first time, really global.

1.3 The first ICT revolution

As suggested above, one of the main characteristics of the first phase of globalization was based on the technological achievements of the second half of the nineteenth century. Technologies of the first, and second Industrial Revolution (steam engine, mechanics, steel, and electricity) became pervasive and indeed encouraged globalization, making one of the essential features of each globalization possible – the so called «time-space compression». Technology revolutionized transport, and deeply affected the way in which an important section of the society perceived the world and its geography. This revolution was, in turn,

the logical consequence of the extensive application of the industrial revolution's most important general-purpose technologies – steam power and electricity – to overland, and overseas locomotion, and communication. From the early 1830s, railway lines quickly spread all over Europe, Asia, North and South America. International connections immediately followed. An even larger impact was made by the design and completion, in the second half of the century, of ambitious projects that connected remote regions. In *Around the World in Eighty Days*, Phileas Fogg leaves San Francisco by train, running eastwards to New York, undertaking a trip that was supposed to last one week, as opposed to the six months the journey took before the opening of the Pacific Railroad in 1869. Another inter-continental connector, the Trans-Siberian railroad linking Moscow to Vladivostok, was built between 1891 and 1916 – on the eve of the Soviet revolution. By the first decades of the twentieth century, it became almost possible to travel – gauge changes apart – by train from Europe to China where a massive railway building was under way thanks above all to foreign capital.

Similar connecting efforts were taking place on oceans where steamer liners linked continents over long distances. At the end of August 1833, more or less a couple of years after the inauguration of the first railway line in the United Kingdom, the *SS Royal William* docked at the British port of Gravesend, Kent, after the voyage started from Pictou in Canadian Nova Scotia a few weeks before. This apparently unnoticed event has been, however, one of the turning points in history: a double steam-engine ship had crossed the Atlantic by steam power only, leaving its sails idle apart from when boiler maintenance was required. By the early 1840s, steamers liners started regularly to cross the Atlantic and other seas. International shipping and cruising liners, of course, were not new; the novelty was how technology impacted on sea transport in terms of velocity and reliability. The revolutionary impact of railways and steamers-liners was not only on the overall duration of trips/journeys, particularly overland. Above all, it was on their *punctuality*. «On time» is a recurrent sentence in the description of the time-obsessed Phi-

leas Fogg's tour – and steamers-liners and trains made possible what in the past was impossible: the almost complete empowerment of travellers from the unpredictability of the weather. But, soon, they made other things possible.

Thanks to the *SS Great Eastern*, one of the wonders of the British Navy, it was possible to complete one of the most ambitious and legendary projects of the nineteenth century – the laying of telegraph transatlantic cable across the Atlantic, completed in 1866. The steam-liner carried in its hull one of the key components of globalization, the cable; it connected continents for the first time and allowed direct communication. Underwater cables, of course, followed another major innovation at the national and continental level. The overland telegraph line connecting the East and the West coast of America was completed in October 1861 – prompting the closure two days later of the legendary Pony Express Service, which was no longer competitive with a service delivering messages within a few minutes or seconds instead of the ten days needed to send a letter across the Great Plains and Rocky Mountains. This was happening all over the world, where «telegraph roads» were crossing nations and continents allowing a powerful web of communication to develop across all the regions of the globe.

Daily newspapers and magazines that wired news around the world were not only readily available to everyone, but also affordable and progressively cheaper. The rotary engine revolutionized in an astonishingly short time the production of daily papers. In the 1840s, when the first rotatory prototypes were introduced, the per-hour printing capacity was four thousand pages per hour. By the 1850s it had doubled. Ten years later, in 1860s the continuous paper roll pushed the capacity to 12 thousand pages per hour. Newspapers' – and information – costs plummeted, and as a result, the daily newspapers per household multiplied. Daily newspapers were often delivered to the household's front door by increasingly efficient postal services, both at the national and international level – another component of this overall revolution in information, communication and transport, which was at the core of the «first global world».

1.4 «Aperire terram gentibus»

«To Richard Cobden. Esq., M.P., London – *Cairo, December 3, 1854*. As the friend of peace, and of the Anglo-French alliance, I am going to tell you some news which will aid in realising the words, *Aperire Terram gentibus...*».²

When he wrote this letter to the influential British statesman, Ferdinand Marie de Lesseps was in his late forties. He had just left a promising career as a French top-rank diplomat – a career that took him around Europe, the Mediterranean, the North-African coast and the Middle East – areas that he came to know well. He gave up his brilliant professional status to commit himself to a project that he considered a mission rather than a business opportunity. A mission that aimed to foster peaceful coexistence among nations through their commitment to a «common good»: the construction of a waterway linking the Mediterranean to the Indian Ocean, that is the Suez Canal successfully completed in 1869. From De Lesseps' perspective, «*aperire terram gentibus*», that is «to make the world accessible to everyone», was an essential component of a *Weltanschauung* common to many intellectuals and statesmen of the time. It was the idea of global citizenship as a distinctive feature of the «modern» world, and a natural consequence of the increasing global openness and inter-connections: in a word, «cosmopolitanism». Cosmopolitan by nature and education, De Lesseps was committed to cutting distances, and in his seventies, travelled to the United States in order to convince the country's leadership to commit to the creation of another global «shortcut» – the Panama Canal.

Migrants apart, the nineteenth century's ICT revolution and the subsequent contraction of time and space, provided other opportunities and incentives for travelling at an increasingly reduced price to very different types of travellers. In 1872 Thomas Cook, a British entrepreneur who founded a travel agency two decades earlier under his own name, which regularly sold organized trips in Continental Europe (included the

highly popular Swiss Alps) and Africa (where it organized exotic cruises on the Nile), offered for the first time a «World Tour package» to an increasingly common type of traveller: tourists. Cook's brave (and rich) clients travelled westward, crossing the Atlantic to New York, to San Francisco by rail, to Japan, China, Singapore, India and, through the Suez Canal, to the Mediterranean, Middle East, and, finally, after more than seven months, to Europe.

Tourism was a form of exploration, and undoubtedly another side of cosmopolitanism. Vast regions of the globe were still unknown, even to geographers, and new technology provided opportunities unavailable before: Amundsen successfully completed the north-western passage between 1903 and 1906, travelling from Greenland to Alaska by ship. In the meantime, Africa became a prized target for Victorian explorers such as the legendary David Livingstone, while geographers travelled into Central Asia, unknown territories and deserts, mapping rivers and Himalaya peaks.

The exploration of central Asia, however, went beyond scientific purposes. British explorers and surveyors were, in general, under-cover agents of Queen Victoria who vied with other agents (those of the Czar), in an endless «cold war» like effort – immediately nicknamed «the Great Game» – to expand the borders of their respective Empires (see [Chapter 2](#)).

Other people travelled neither for necessity, pleasure, or espionage: travels could indeed give access to knowledge, under various forms, which could be transferred to the country of origin. «Learning Travels» was a standard practice of the European high-class already during the eighteenth century, and in general aimed to provide or strengthen their level of education and sociability. The nineteenth century made these travels less poetic, but much more «practical». Young, promising students travelled to acquire new ideas and entrepreneurial opportunities, as in the case of a brilliant Italian graduate of Milan Polytechnic, Giovanni Battista Pirelli, who, before founding an innovative activity in the caoutchouc industry in 1872, spent around ten months travelling across Europe «searching for a new indu-

FIGURE 1.4 Leaders of the Iwakura Mission

stry», as he wrote in his diary. While Pirelli was wandering alone across Europe, others did so on a larger scale. Between 1871 and 1873 a «study mission» of around one hundred people, including prominent government officials and brilliant students, sailed from Yokohama, Japan to America. The so called «Iwakura Mission», from the name of its leader aimed at visiting various countries in the US and Europe in order to accelerate the institutional modernization of Japan described in more detail in [Chapter 5](#). In the group were also around fifty students who were supposed to study abroad.

In this increasingly connected and interlinked world, new nodes or «hubs» emerged, when others declined. It was not only a matter of size – it was a matter of strategic positioning in the currents of globalization. Many of these «global cities» were port cities, since the main physical flow of trade and migrants were travelling by sea, and the main overland transports routes converged there. From San Francisco to New York, Singapore, Calcutta, Cape Town, Hong Kong, Canton, Shanghai and Yokohama,

FIGURE 1.5 Foreign ships at Yokohama harbour in 1861

a Japanese small village of fishermen chosen as an open-port for foreign trade in 1859, all these cities during the second half of the nineteenth century became lively hubs where global streams of trade and people converged and passed through, like sand in an hourglass. All of them shared common characteristics with the global cities of today: apart from being hubs for international trade and finance, they became cosmopolitan melting pots of different entrepreneurial populations, were centres of lively innovation and, despite their independence, became key components of their countries' geopolitical positioning.

1.5**A western globalization:
imperialism and inequalities**

Although the world was increasingly connected, it also divided into large Empires, immense geopolitical entities that frequently promoted further integration inside their own borders. At the beginning of the nineteenth century Empires covered at least two-thirds of the globe. Some were the size of continents, like the Russian Empire, while others were transcontinental, the largest of all, the British Empire, or the oldest (the Ottoman). Many of the migration flows described above took place inside the borders of Empires, like the colonization of Siberia. Empires were persistently and

aggressively expanding their rule, both through direct confrontation as in Upper Asia, or via international agreements. Between 1884 and 1885 the representatives of the European, US and Ottoman governments gathered in Berlin in order to peacefully partition an entire continent: Africa. The Congo Conference settled, or better regulated, what has been defined as the «scramble», a rush to acquire territories and colonies in Africa (see [Chapter 2](#)).³ Long before the Berlin Conference, following the Opium Wars, China had been divided into spheres of influence for foreign (European and Japanese) empires to such an extent that, by the end of the nineteenth century, the US – which, as discussed later in [Chapter 4](#), was expanding its sphere of influence southwards (Spanish-American War, 1898) and westwards (Philippine-American War, 1899) – issued an «open note» to the other powers reaffirming their trade rights in the area.

Empires were complex and to some extent sophisticated bodies, that had very different effects on nations under their control – negative, but also positive. To a large extent, they reduced information asymmetries and transaction costs, at least for a share of their population – as each British citizen travelling in the British Empire could confirm. The World of Yesterday, in sum, was mainly «Western». This was, of course, the logical consequence of what historians have called the «Great Divergence», a process of economic and military expansion, followed by the political supremacy of the West over the «rest», which had started even before the First Industrial Revolution. According to some calculations, back in the mid-eighteenth century, India and China together were the largest contributors to the world's Gross Domestic Product, around 60 per cent. One century later, it was Europe, and particularly its north-western regions, that had gained supremacy that fuelled their political and economic imperial ambitions.

Before the Great War empires were ubiquitous and covered almost the whole surface of the world. Around two-thirds of the globe were under some form of imperial rule.

Imperialism and empires were at the core of a deep contradiction: they were symbols of globalization and connection, incorpo-

rating nationalities and, in some cases, like the Austro-Hungarian empire, able to embody the idea of cosmopolitanism condensed into multicultural, open cities full of creativity. For instance, Vienna at the turn of the century was, with its 2 million citizens, the sixth largest metropolis in the world, populated by Germans, Slovaks, Czechs, Slovenians Poles, Italians, and other «communities», including a growing, and pervasive community of Jews, who contributed to the cultural and intellectual creativity in the arts

Insight 1.2 Open door policy and the First Open Door Note

During the nineteenth century, European powers (Britain, France, Russia, and Germany) as well as Japan aimed to increase their influence in Asia. The increased presence of Britain, France, and Russia in China after the Opium Wars (1839-1842 and 1856-1860) and the defeat of China in the Sino-Japanese War (1894-1895) posed the threat to China of being partitioned and colonized. This threatened the US, as they also wanted to expand their sphere of influence and acquire access to markets in Asia having recently gained control over Philippines after the Spanish-American War (1898). However, the US could not aspire to regional dominance or use military solutions to expand their trade as the European powers and Japan had already established spheres of influence in the area. Therefore, they opted for an «Open Door Policy» that referred to equal rights for all nations' commercial activities in China.

In line with the US Open Door Policy, the US Secretary of State John Hay sent notes to Britain, France, Japan, Russia, Germany, and Italy on September 6, 1899, requesting a declaration that they maintain Chinese territorial and administrative integrity and grant equal access to and free use of ports within their spheres of influence in China.

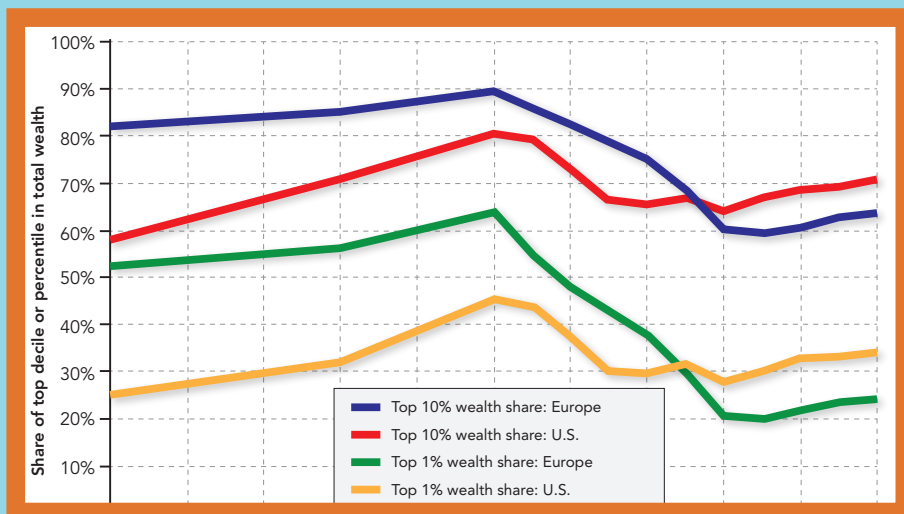
The First Open Door Note and the following correspondence with the aforementioned states demonstrate an important case for the use of diplomacy at a time when all major powers strove to expand the size of their colonies. The Secretary of State used highly diplomatic language to frame US demands as mere solicitations. The replies carried the same diplomatic tone, avoiding a full endorsement of the policy and expressing their intention to comply on the condition that other countries' also approved.

The Open Door Note is also important as an example of an «informal empire». The term refers to a form of economic and political control without territorial claims. As evident in the content of the First Open Door Note, the US intended to keep the major imperial powers reassured and at bay, while securing their own economic expansion, i.e. to gain greater and free access to Asian markets.

and sciences. At the same time, empires frustrated nationalistic aspirations, independence, autonomy and self-determination of local populations. They explicitly created social hierarchies, division and a long distance between the colonizers and the colonized – a distance that could hardly, if ever, be disregarded, even when political representation was graciously given to the colonies. In other cases, the rule was based on military occupation, terror and violence, which made independence and freedom an even more compelling political goal. Often Empires went hand in hand with another characteristic of the World of Yesterday – a diffusion of inequality see [Chapter 12](#)).

Inequality was another universal feature of the first global world. According to the data collected by the economist Thomas Piketty, between 1870 and the WW1, the share of total wealth in the hands of the first percentile of the population rose constantly both in Europe and the US – although we have scarce data about the rest of the population, there is no reason to think that the most industrialized countries were running significantly higher

FIGURE 1.6 Wealth inequality in Europe and in the US, 1810-2010



Source: Thomas Piketty, *Capital in the Twenty-first Century*, Harvard University Press, Harvard, 2014, p.349.

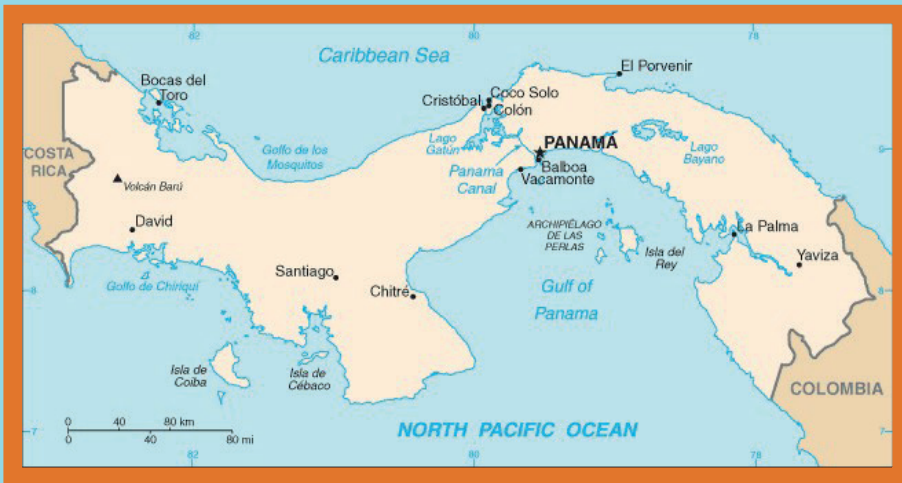
inequality levels than the periphery. In 1910, the richest 10 per cent of the population in Europe held 90 per cent of the total wealth – something particularly striking in the absence of welfare and redistribution programs. The enrichment of the «happy few» was clearly the result of transformations due to the Second Industrial Revolution, and a clear outcome of the global economy.

With inequality, populism soon emerged to support the masses over the élites. A generic concept, which both rightist and leftist political movements could easily adapt to their purposes, became popular soon after the devastation of the Great War.

1.6

The end: globalization and its discontents

August 3, 1914 is a symbolic date – it symbolises the ambiguity of the extraordinary, but at the same time very fragile, «World of Yesterday». In a few hours, two events in very distant locations took place, totally independently. Yet, they were, in some way, symbolically connected. The first took place in a remote region of Central America, where the passenger and cargo steamship *Cristobal* first crossed the Panama Canal, just before the official inauguration that took place a couple of weeks later. The Canal had a long and troubled history, but its five years construction process starting in 1909 – after a US-sponsored revolution which in 1903 had *de facto* separated the Panama territories from Colombia – was accelerated by the United States' geopolitical expansion in the Caribbean and Pacific, starting at the end of the nineteenth century with the Spanish-American War (1898) (see [Chapter 4](#)), and because of the need for warships to travel quickly between the two oceans. The Panama Canal can be seen as the iconic apex of the first period of globalization. After its completion, it became possible to circumnavigate the globe avoiding long and dangerous deviations, as in the case of the Magellan-Elcan expedition at the beginning of the sixteenth century. However, on the same day, in Europe, the first era of globalization was brought to an abrupt conclusion. That very day, Ger-

MAP 1.1 Map of the Panama Canal

many declared war on France, igniting a global conflict. Then, as Stefan Zweig sadly commented in the first paragraphs of his memoirs, it was «as if it were a hollow clay pot breaking into a thousand pieces».

The Great War annihilated about 17 million lives, and permanently damaged those of another 20 million (see [Chapter 3](#)). To make the tragedy worse, in less than five years it brought to an abrupt end a global economy built over the last sixty years, during the period which Zweig called «the Golden Age of Security». It crushed the institutions that made the world open, and turned the technologies of transport, communication and production into machines for the mass killing of human beings.

As publishers know very well, understanding the origins of the Great War is a favourite pastime of historians – a desperate effort to find rationale in something beyond rationality. Whatever its origins, the implosion of the World of Yesterday had much to do with the centripetal force of globalization, and the discontent it created.

The first global economy exposed the masses to the flaws of global markets. All over Europe, peasants learned that the laws of international trade, corroborated by the information and communication revolution, were ruthless, and had either to face

poverty or join the planetary migration movement. As stressed above, migrations created discontent, both within the migrant population and in the countries where migrants settled.

Second, globalization was closely linked to imperialism. After the partition of Africa at the Berlin Conference, little remained to be colonized and subjugated. At the same time, the race to expand geopolitical influence continued as «old» empires were weakening, like the Ottoman, and others, both in Europe and Asia, were becoming increasingly aggressive. Cosmopolitanism, peace, international currents and restraints, globalization – all these concepts placed serious obstacles and limitations on those who considered this situation to be against their nation's interests, and instead wanted to put national interests first.

«Today, indeed, we live in a time which points with special satisfaction to the proud height of its culture, which is only too willing to boast of its international cosmopolitanism, and flatters itself with visionary dreams of the possibility of an everlasting peace throughout the world. This view of life is un-German and does not suit us. The German who loves his people, who believes in the greatness and the future of our homeland, and who is unwilling to see its position diminished, dares not close his eyes in the indulgence of dreams such as these, he dares not allow himself to be lulled into indolent sleep by the lullabies of peace sung by the Utopians».

In 1913 Crown Prince Wilhelm of Germany, the son of Kaiser Wilhelm II, wrote these words in a book entitled *Germany in Arms*. It is considered to be a manifesto of the military race that characterized early twentieth century. Wilhelm was adamant in stressing that the evil of globalization was that peace was needed to prosper, and peace and prosperity were undermining the spirit of the nation:

«The old ideals, even the position and the honor of the nation, may be sympathetically affected; for peace, peace at any price, is necessary for the undisturbed acquisition of money».

Globalization stimulated nationalistic sentiments in other ways. As anticipated above, the development of the international economy had a devastating impact on China. Two Opium Wars and a series of unequal treaties gave foreigners special rights and privileges,

transforming the world's once proudest Empire into a semi-colony. The permanent state of humiliation resulted in a widespread discontent towards foreigners up to the outbreak of the Boxer Rebellion in 1900, which was quickly and harshly suppressed by an Allied Intervention Army composed of troops from nine countries: Britain, US, Australia, India, Germany, France, Austria-Hungary, Italy, and Japan – all of them (with the sole exception of Italy, at that moment) Empires, or colonies of an Empire. The foreign occupation, followed by the fall of the Qing Dynasty in 1912 and by a devastating civil war, was such a trauma for China that it is not difficult to see the origins of both the Communist regime's rule until 1978, and of today's cautious approach to international relations, in this painful phase of the Chinese history.

In other cases, the inescapable pressure of the global economy resulted in the collapse of a nation. When Czar Alexander II abolished serfdom with the Emancipation Act of 1861, he clearly recognised that the largest Empire in the world needed a vast amount of reforms. The outcome of the Crimean War some years before, resulting in the defeat of Russia by an Allied intervention force formed by France, the Ottomans, the British and the Kingdom of Sardinia, had clearly demonstrated the necessity of modernization, with industrialization being a necessary component. The process accelerated in the 1870s, when the Government stimulated the construction of railways (among which the Trans-Siberian – see above). Foreign investments followed. The enlargement of industrial centres in the main cities resulted in a quick urbanization process accompanied by a deterioration in the living conditions of urban workers, paving the road to revolution that started in 1905, and culminated in the Bolsheviks' seizure of power in 1917, which overnight withdrew a significant portion of the world from the international economy for more than 70 years (see [Chapter 4](#)).

Unable, or unwilling, to redistribute the gains of integration, prosperity and peace, the Age of Security killed its pupils: economic integration, cosmopolitanism, peace, cooperation, the possibility of travelling without barriers. It left the stage to nationalism, conflict, dictatorships, closure and autarky, and, eventually to another global war. A grave lesson for our times.

Timeline

- 
- 1833** The SS Royal *William* crosses the Atlantic by steam power only
 - 1839** First Opium War (1839-1842)
 - 1840s** The first rotary press is introduced
 - 1856** Second Opium War (1856-1860)
 - 1861** The overland telegraph line connecting the East and the West coast of America is completed in October
 - 1866** The laying of telegraph transatlantic cable across the Atlantic is completed
 - 1869** The Pacific Railroad opens
The Suez Canal is completed
 - 1872** Thomas Cook offers a «World Tour package»
 - 1891** Trans-Siberian railroad is built (1891-1916)
 - 1894** Sino-Japanese War (1894-1895)
 - 1898** Spanish-American War
 - 1899** Philippine-American War
 - 1900** Paris International Exhibition
 - 1903** Amundsen successfully completes the North-Western passage travelling from Greenland to Alaska by ship (1903-1906)
 - 1912** *Titanic* sinking

Suggested readings

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On the web

The Statue of Liberty – Ellis Island Foundation, Inc.

«The Ellis Island Archive contains the passenger lists of more than 51 million immigrants, passengers, and crew members who came through Ellis Island and the Port of New York from 1892 to 1957. The period from 1892 to 1924 at Ellis Island was the largest human migration in modern history!»

Multimedia to go deeper

Videos

Immigrants arriving in Ellis Island in 1903

Notes

¹ Stefan Zweig, *Die Welt von Gestern: Erinnerungen eines Europäers*, 1942.

² De Lesseps (1876: 36 ff.); De Lesseps' entire correspondence was later published as *De Lesseps* (1887).

³ At the end of the process, only two countries remained free on the African continent: Liberia and Ethiopia.

The «Cats»

Caroline Angeli
Filippo Maria Bandini
Leonardo Barbieri
Zakaria Bekkali
Raphael Henri Jacques Bigio
Victor Bus
Giulio Vittorio Cervi
Gabriel José Chacon Molina
Vittoria Chiani
Nazareno Chiaravalloti
Marta Cignetti
Giuseppe Concetti
Daiana Danova
Sofia Di Cesare
Paul-Emile Thierry Eric Duroux
Lorenzo Faggiano
Giorgio Giovanni Farace
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Giada Garofani
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Chiara Gilardi
Rosa Gobbi

Giulia Gouet
Maria Elena Lasiu
Karl Adrian Lavo
Ludovica Mager
Andrea Margutti
Alice Montagna
Chiara Natali
Giunio Panarelli
Silvia Picalarga
Enrico Putignano
Rodolfo Ragusa
Mario Restuccia
Eduardo José Riedel Padilla
Asli Ebru Sanliturk
Carola Segale
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Davide Targa
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Alejandra Maria Ycaza Babra
Fabio Zampedri

