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Histories and Futures of Business in a Turbulent World

When it comes to events that have marked turning points in the relationship between global governance and business history, I have focused on the role of international crises to understand the forces shaping relations between firms, states, and global governance frameworks. Such an approach stems from the fact that I am primarily an historian of international relations, and much of my research and writing is concentrated on European and global history in the period from about 1880 to 1950. For me, the origins and course of the two world wars and the Cold War have been as important as crises of capitalism, such as the Great Depression.

Some of my recent publications have focused on developments that generated the ideas, practices, and legal norms that constitute modern global governance—the international framework in which firms operate.⁷ From the vantage point of the 2020s, it has become abundantly clear that global governance is hugely path dependent with consequences that are not fully appreciated. Some of the most foundational international institutions emerged from World War I. In his acclaimed study of Franco-Prussian relations, George Kennan, the American diplomat and historian, described World War I as the “seminal catastrophe” of the twentieth century. It determined geopolitical relations for decades to come. The war generated political, ethno-national, and distributional conflicts that led to the Russian Civil War; Fascism; National Socialism; and aggressive Japanese expansionism that set the world on a path to the Second World War, and the Cold War.⁸

Amidst this destruction, it is important to recognize World War I’s constructive aspects, notably the way it determined the future contours of relations between firms, states, and world markets in ways that were

⁷ Patricia Clavin, *Securing the World Economy: The Reinvention of the League of Nations, 1919–1946* (Oxford, 2013); Patricia Clavin and Madeline Dungy, “Trade, Law and Global Order, 1914–1930,” *Diplomatic History* 44, no. 3 (2020): 554–579; Patricia Clavin, “Britain and the Making of Global Order after 1919: The Ben Pimlott Memorial Lecture,” *Twentieth Century British History* 31, no. 3 (2020): 340–359; Patricia Clavin, “The Austrian Hunger Crisis and the Genesis of International Organization after the First World War,” *International Affairs* 90, no. 2 (2014): 265–278.

⁸ George F. Kennan, *The Decline of Bismarck’s European Order. Franco-Russian Relations, 1875–1890* (Princeton, 1979), 3.

foundational for global governance. Not only did the course of the war firmly plug US firms and finance into the international economy, formally the prosecution of the war triggered an unprecedented level of multilateral exchange between firms and states, both belligerent and non-belligerent that had to traverse new market conditions.⁹ In the globalized economy, regional wars had huge international effects. (The same is true of the war between Ukraine and Russia today, of course.)

Features of the war that disrupted flows in the world economy also had paradoxically connective effects. None more so than the Allied blockade, which globalized the war. Its operations were particularly formative for global governance because it marked a graduated departure from traditional state-to-state diplomacy to include administrative arrangements. In 1917, the need to coordinate procurement with supply, notably through shipping, was recognized in the landmark Allied Maritime and Transport Council (AMTC), whose members were from Britain, France, Italy, and the United States. Between 1917 and 1919, the operations of the Supreme War Council augmented these arrangements. It brought together the AMTC, the Inter-Allied Transport Council, and the Inter-Allied Munitions Council under one roof.¹⁰ These operations were remarkably wide-ranging. In 1918, Alfred Zimmern, at the time a member of the Political Intelligence Department of the Foreign Office, claimed, the AMTC supervised almost 90 percent of the world's entire sea-going tonnage.¹¹ It had a staff of over 1,500 accredited individuals.¹²

Headed up by the British and French civil servants Arthur Salter and Jean Monnet, respectively, the AMTC commanded a secretariat that organized twenty discrete inter-allied committees coordinating business and state activities.¹³ These efforts to coordinate wartime production and supply internationally blurred the distinction between the national and international level of decision making, as well as between advisory and executive bodies. These were the emergent mechanisms of global governance, which were enshrined in the world's first intergovernmental organization, the League of Nations (LON). The body underscored what Salter and Monnet saw as the self-evident need for international administration in the global economy. At the same time, the world's first

⁹ Andrew Hurrell, *On Global Order: Power, Values, and the Constitution of International Society* (Oxford, 2007).

¹⁰ Alfred Zimmern, *The League of Nations and the Rule of Law, 1918–1935* (London, 1938), 149.

¹¹ Zimmern, *League of Nations*, 146–147.

¹² See "Controls Exercised by Government Departments," Economic and Financial Section Branch memoranda, 1921, League of Nations Archives, S129-76-6.

¹³ Yann Decorzant, *La Société des Nations et la naissance d'une conception de la régulations économique internationale* (Brussels, 2011), 133–135.

intergovernmental organization multilateralized international relations at a stroke.¹⁴

Firms were not passive bystanders. If we do not know as much as we should about the role of firms in determining the practices of the AMTC, we do know that Monnet's gifts as a networker and administrator derived from his early career in the Cognac business. Businesspeople populated the AMTC's various committees and shaped its operations. It included one of its foundational subcommittees, the Commission Internationale de Ravitaillement, first set up by the French government in August 1914. Businesspeople were nominated as delegates from the Belgian, Romanian, Serbian, Japanese, Italian, Portuguese, Russian, Greek, and Brazilian governments (a US representative was also co-opted), to prevent competition in food and markets connected with military supplies, to prevent competition, and to prevent price inflation. Similarly, the four-hundred-strong executive staff of the overarching AMTC—the AMTC's secretariat—seconded a large number of businesspeople, as well as civil servants and military officers, working under the direction of Sir Edmund Wyldbore-Smith at the Board of Trade. Wyldbore-Smith began his career as a civil servant, but the expertise he developed during the war launched a successful business career. He was appointed chairman of Thomas Cook, both the travel agency and the banking firm, as well as vice president of the Compagnie Internationale des Wagons-Lits (the International Sleeping-Car Company), and a director of the Suez Canal Company. He also served as vice president of the Federation of British Industries. *The Manchester Guardian* newspaper identified this career development as something of a trend.¹⁵

In the same year that the League began to develop its economic and financial agenda, the International Chamber of Commerce (ICC) was established in Paris, styling itself as the “League for business.” Like the League of Nations, it underplayed any policy ambitions, suggesting its prime purpose was to gather economic intelligence.¹⁶ But in both cases, economic intelligence was used to frame policy debates on currency and trade.

¹⁴ We still know far less about the evolution of these arrangements from the business side. State and administrative aspects dominated the story from the business perspective. Crucially, these emergent mechanisms of global governance solved “the problem of controlling the action without displacing the authority of National Governments.” See Arthur Salter, *Allied Shipping Control: An Experiment in International Administration* (Oxford, 1921), 246.

¹⁵ “Industrial Directorships: Another Capture from the Civil Service,” *The Manchester Guardian*, March 20, 1919, 4.

¹⁶ See Letter from Edouard Dolléans (General Secretary of the ICC) to Ibbetson James (Provisional Secretary of the Economic and Financial Committee of the League of Nations), 28 Jan. 1921, League of Nations Archives, Geneva, S141-91-26; Thomas David and Pierre Eichenberger, “Business and Diplomacy in the Twentieth Century: A Corporatist View,” *Diplomatica* 2 (2020): 48–56.

Today, the ICC is less modest about its early history: “without waiting for governments to fill the gap, ICC founders acted on their conviction that the private sector is best qualified to set global standards for business.”¹⁷ The ICC engaged with the League of Nations, seeking to inform and determine how the organization and its member-states engaged with questions of governance across multiple levels—trade, finance, transportation, and so on. The ICC sought the leading role in brokering relations between firms and the state as well as business to business. Tracing this history from firms’ perspectives underlines the chameleon quality of business actors.

Many individuals, such as the French industrialist Louis Loucheur, traversed the worlds of business, finance, and government, and moved in and out of administrative posts, in national, imperial, and international settings.¹⁸ Figures such as these, in their various advisory and official participation in national and international governance networks, had a powerful role in the architecture of global governance from the start. And Americans were very strongly represented, despite their refusal to recognize the LON.¹⁹ (Although arguably their business activities do not inform our understanding of their politics as much as they should. Once business-people become state agents, nationally or internationally, historians explore how their agency shaped government policy and international relations, focusing less on the outcomes for business and markets.) Aside from his landmark proposal for Franco-German economic collaboration, drafted with Walter Rathenau in 1921 that cemented his place in political and financial history of European relations, Loucheur was an influential force in business and financial networks.²⁰ Business contacts played a strong role in determining outcomes at a series of economic and financial conferences—Brussels (1920), Genoa (1922), and the World Economic Conferences of 1927 and 1933—setting both pathways of global governance and the spatial composition of global order that continued beyond the Bretton Woods conference in 1944.²¹

¹⁷ ICC, “Who We Are,” accessed 8 June 2022, <https://iccwbo.org/about-us/who-we-are/history/>.

¹⁸ Louis Loucheur Papers, Hoover Institution, accessed 8 June 2022, <https://oac.cdlib.org/findaid/ark:/13030/tf038n972d/>.

¹⁹ Thomas David and Pierre Eichenberger, “‘A World Parliament of Business’?: The International Chamber of Commerce and Its Presidents in the Twentieth Century,” *Business History* 65, no. 2 (2023): 15.

²⁰ Louis Loucheur and Jacques De Launay, *Carnets Secrets, 1908–1932: Dossiers Secrets De L’histoire* (Bruxelles, 1962); Stephen Douglas Carls, *Louis Loucheur and the Shaping of Modern France, 1916–1931* (Baton Rouge, 1993); Dominique Barjot, “Les Cartels, Une Voie Vers L’intégration Européenne?: Le Rôle De Louis Loucheur (1872–1931),” *Revue économique* 64, no. 6 (2013): 1043–1066.

²¹ Stephen Legg, Mike Heffernan, and Benjamin Thorpe, eds., *Placing Internationalism and the Making of the Modern World* (London, 2022).

As these examples of global governance emerging from the First World War indicate, a historical approach is invaluable for analyzing the ongoing challenges because global governance is highly path dependent. The past shows us it is extremely difficult to create cooperative institutions or global governance mechanisms from scratch. Institutions proliferate, but few are closed down. Debates about change revolve around discussions of reform rather than innovation. The history of the International Monetary Fund, the World Bank, the European Union, and the Association of Southeast Asian Nations reveals that changes in governance norms and practices—whether positive or negative—occur through adaptation that is path dependent.²² Even the World Trade Organization, founded in 1995, is profoundly shaped by the legal norms and practices of the General Agreement on Tariffs and Trade (GATT), itself an heir to League of Nations and ICC innovations in the realm of international trade.²³

Part of history's value is its ability to trace and recover continuity. It reveals pathways that were not taken, initiatives that were resisted, were transformed, or which failed. History is especially useful when it comes to understanding claims about the meaning and purpose of international cooperation, which are never self-evident. For example, the People's Republic of China's (PRC) ambivalent relationship with the institutions of global governance today is deeply historical, shaped in part by the fact that China's inclusion in Franklin D. Roosevelt's United Nations plans was intended to support the national government. It is more than an "origins" story. This history brings out the plurality of economic, social, and political formations that involve quite different understandings of value, sovereignty, and territory.²⁴ Business inhabits a different space in the PRC, which complicates its membership obligations regarding the World Trade Organization, notably in relation to the operations of its state-owned enterprises.²⁵

²² See the work of Kiran Klaus Patel, most recently, *Project Europe: A History* (Cambridge, 2020).

²³ See, for example: Maurice Obstfeld, *The International Monetary System: Living with Asymmetry* NBER Working Paper Series No. 17641 (Cambridge, MA, 2011); Francine Mackenzie, *GATT and the Global Order in the Postwar Era* (Cambridge, 2020); Patricia Clavin and Madeleine Dungy, "Trade, Law, and the Global Order of 1919," *Diplomatic History* 44, no. 4 (2020): 554-579.

²⁴ See work of the International Network, "Contestations of the Liberal Script (SCRIPTS): Global Challenges for the Model of Liberal Democracy and Market Economy," accessed June 8, 2022.

²⁵ Patros C. Mavroidis and André Sapir, "China and the WTO: An Uneasy Relationship," *Vox EU*, April 29, 2021, accessed 8 June 2022, <https://cepr.org/voxeu/columns/china-and-wto-uneasy-relationship>.

History also helps us see what is new about the present. Today, institutions of global governance seem weak in the face of the global challenges posed by Covid-19, the climate emergency, and the war in Ukraine. They have to live alongside the return of geopolitics and hazardous competition between the major states in the system. In the field of twenty-first-century governance and business history, there is a tendency to separate and disaggregate these global challenges into different domains of “health governance,” “financial governance,” “environmental governance,” and so on. In past decades, be it the 1880s, 1920s, or the 1930s, these issues were sometimes connected and viewed more holistically by actors across the political spectrum.

The present moment reveals that the fundamental background conditions for firms and global governance are changing. In the past, histories and future expectations were framed in relation to seemingly stable conditions that included the dominance of US and Western power, on the one hand, and technologically driven economic globalization, on the other. Comparing the past with present-day circumstances shows that these assumptions no longer hold at a time of renewed and intensifying geopolitical competition; power transitions (North-South, South-South, and East-West); contested globalization; and the challenge of climate change.

The present has made clear that firms will face future global shocks that are not isolated, or singular “black swan” events located at the confluence of a specific moment in ways that are readily comparable with 1929 or 1973. Future historical work may pay more attention to how firms sought to navigate interconnected global shocks that traversed the domains of finance, trade, health, and geopolitics that affected the business of disintegrating empires in Central and Eastern Europe, on the one hand, or decolonizing territories, on the other.²⁶ I am currently working with colleagues on the challenges of turbulence.²⁷ This encourages us to avoid the dichotomy of stability and change to instead confront shocks’ different chronologies and to recognize the relationship between different types of shock.²⁸ Firms and farms work to a different rhythm.

²⁶ See, for example, Geoffrey Jones and Valeria Giacomini, “Deglobalization and Alternative Futures,” *Harvard Business School Technical Note*, 322-088, Jan. 2022; Christina Lubinski. *Navigating Nationalism in Global Enterprise: A Century of Indo-German Business Relations* (Cambridge, 2022). These works move away from a preoccupation in business history of Central Europe that focused more on Nazi penetration than the shocks that hit the region after 1917. See, for example, Stephen G. Gross, *Export Empire: German Soft Power in South-eastern Europe, 1890–1945* (Cambridge, 2015).

²⁷ The concept of turbulence has impacted financial history and governance. See, for example, F. Papadia and Tuomas Välimäki, *Central Banking in Turbulent Times* (Oxford, 2018); Christopher K. Ansell, *Governance in Turbulent Times* (Oxford, 2017).

²⁸ For more analysis of contemporary problems, see the Oxford Martin Programme on Changing Global Orders, accessed 8 June 2022, <https://www.oxfordmartin.ox.ac.uk/changing-global-orders/>.

The current disruptions to food and fertilizer supplies in the Ukraine are likely to have consequences for global agriculture, food supplies, and trade policies that outlast the war. In much the same way, US farmers and firms (and Spanish ones too) found a wartime boom became a postwar bust. In the Spanish case, it came alongside a series of other shocks—“Spanish” flu, inflation, challenge to empire, and so on. We know much more about these political, social, and cultural histories of the road to the Spanish Civil War than how Spanish business understood and navigated these shocks.

The instability that currently characterizes the world also underscores the importance of local and regional responses to global challenges. The Covid-19 pandemic in particular has highlighted the importance of local and regional responses. Exploring the local and regional context has always been a strong feature of business history, much more so than the history-writing of global governance.²⁹ The histories and archives of multinational companies serve as a deep resource for reconstructing and understanding local and regional contexts and indicate where these actors had to navigate varied and complex levels of norms and regulations. There is scope, then, for insights from firms’ histories to shape how we should think about global governance, as much as to discover how trends of globalization and deglobalization have shaped business. And we need to think harder about how the regional relates to the global. Regional solutions to global problems are readily evoked by twenty-first-century policymakers, but the relationship between them is far from clear.

Much of the recent historiography on global governance has focused on the generation and characteristics of legal norms framing the relations among business, markets, and global governance.³⁰ Lawyers tend to stress legal accretion and cooperation. A business history approach instead might highlight how legal norms are generated as much—if not more—from conflict than cooperation, and the importance of new technology to the creation of international practices, notably international commercial arbitration.³¹ In the same way that World Wars I and II

²⁹ See, for example, Ulf Christian Ewert and Stephan Selzer, *Institutions of Hanseatic Trade* (Frankfurt, 2016); Maurizio Romano, “Multinational Business and Transnational Regions: A Transnational Business History of Energy Transition in the Rhine Region, 1945–1973,” *Business History* 63, no. 1 (2021): 165–166.

³⁰ Pasha L. Hsieh and Bryan Mercurio, *ASEAN Law in the New Regional Economic Order: Global Trends and Shifting Paradigms* (Cambridge, 2019).

³¹ Thomas Dietz, *Global Order Beyond Law: How Information and Communication Technologies Facilitate Relational Contracting in International Trade. International Studies in the Theory of Private Law* (London, 2014); Walter Mattli and Thomas Dietz, *International Arbitration and Global Governance* (Oxford, 2014); JoAnne Yates and Craig N. Murphy, “Introduction: Standards and the Global Economy,” *Business History Review* 96, no. 1 (2022): 3–15.

generated practices of international knowledge exchange, networking, and administration that were conducive for business, these conflicts generated a body of international law that shaped business interaction. There has been exciting new work on the League's generation of public legal norms and their limitations, such as Nicholas Mulder's recent work on sanctions, for example.³² But we know much less about how business agency shaped the generation of international law and the practices of private arbitration. We need new histories of the actors who generated them, including law firms and lawyers working in business and finance who also traversed the world of global governance. In earlier periods, the rapidly digitizing archives of the League of Nations, the International Labour Organization, and UN bodies such as the Food and Agricultural Organization offer useful sites to trace the networks and individual business careers across different realms.³³

In my own research, I have become interested in the international history of food governance. The knowledge that food supply is best understood as a complex system is widely perceived to be new, as is the field of food law.³⁴ My project recovers a history that shows how systematic thinking has been applied to food in the past. It puts European and international history, from around 1850, in dialogue with the present and the future in a series of interrelated research questions, asking: When do food systems come into view? How does the knowledge and experience this systematic thinking embodies get remembered and applied, and why?³⁵ What can we learn from this history for the management of future shocks, and the challenges of local, national, regional, and global institutions facing this task? When is food security recognized as the priority of global order?³⁶

A major contention of this research is that systematic ideas, laws, and practices in relation to food governance are generated through knowledge exchange, facilitated and governed by business, and

³² Nicholas Mulder, *The Economic Weapon: The Rise of Sanctions as a Tool of Modern War* (New Haven, 2022).

³³ The archival resources of the United Nations can be found online at the United Nations Library & Archives Geneva, accessed 8 June 2022, <https://archives.ungeneva.org/>. For access to the International Labor Organization's sources, see "ILO Resources," accessed 8 June 2022, <https://www.ilo.org/inform/online-information-resources/lang-en/index.htm>.

³⁴ Gabriela Steier and Kiran K. Patel, eds. *International Food Law and Policy* (New York, 2016).

³⁵ Patricia Clavin and Sunil Amirith, "Feeding the World: Connecting Europe and Asia, 1930–1945," *Past and Present*, Supplement 8 (2013): 29–50.

³⁶ Among my archives are those of the United Nations Food and Agriculture Organization, as well as personal papers of leading food scientists housed at the Wellcome Institute. See "Welcome to the David Lubin Memorial Library," Food and Agricultural Organization of the United Nations, accessed 8 June 2022, <https://www.fao.org/library/fao-archives/about-the-archives/en/>; and "Collections," Wellcome Collection, accessed 8 June 2022, <https://wellcomecollection.org/collections>.

international and non-governmental networks and organizations. Business often plays the determinant role in food governance and its entangled relationship with development.³⁷ The empirical and intellectual focus of this research stands in sharp contrast to the writing of food history which is largely focused on individual national and imperial histories, and the work of food scientists and activists such as Tim Lang, who sees the protectionist British war economy of 1940–45 as the high point of British food policy, or James Rebanks, whose writing harks back to older, nationally-orientated accounts of English farming, past and present.³⁸ I want to show that managing global shocks in food will require responses that are organized across different scales - local, regionally, and globally. Food history is business history and international history. It embraces a variety of different actors (farmers, trading companies, food processing industries); scales of analysis, and varieties of governance, determined by state and, crucially, non-state actors.

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³⁷ See Corinna Unger, *International Development: A Postwar History* (London, 2018); Stephen Macekura and Erez Manela, eds., *The Development Century: A Global History* (Cambridge, 2018); Corinna Unger, "International Organizations and Rural Development: The FAO Perspective," *International History Review* 41, no. 2 (2019): 451–458.

³⁸ Tim Lang, *Feeding Britain: Our Food Problems and How to Fix Them* (London, 2020); James Rebanks, *English Pastoral: An Inheritance* (London, 2020); James Rebanks, *English Pastoral: An Inheritance* (London, 2020).