

The highs and lows of 19th century capitalism are eerily familiar

'The Anxious Triumph' chronicles boom and dislocation of the late 1800s and provides lessons for today

Harold James

The Anxious Triumph: A Global History of Capitalism, 1860-1914, by Donald Sassoon, Allen Lane, RRPE30, 753 pages

Capitalism today is under fire from every angle. Not just from the left, from Bernie Sanders or Elizabeth Warren or Jeremy Corbyn, but also from the right, with Fox News anchor Tucker Carlson asking: "Does anyone still believe that cheaper iPhones or more Amazon deliveries of plastic garbage from China are going to make us happy?" Corporate bosses follow the zeitgeist and start their pronouncements with a confession of sin that has now become almost mandatory. Business leaders compulsively expatiate on the broken "system" and the imperative search for a "new narrative". They resemble those French noblemen who in the 1780s sat on the side of the stage at performances of Pierre Beaumarchais's hit anti-aristocratic play *The Marriage of Figaro*, slapping themselves on the face for their privilege.

Capitalism, like aristocracy in the ancien régime, is a quite elusive concept. It requires selling or spinning a message and spin makes for dizziness. There is an enemy, but it is hard to define. In 18th-century France great aristocrats coexisted with horribly impoverished hedge squires, but all had a particular and peculiar legal status. One concept of privilege — the aristocrat — covered all of them and aroused disdain and eventually violent hatred.

Who, today, is a capitalist? Is it just Jamie Dimon of JPMorgan or billionaire philanthropist Bill Gates? Or, for that matter, real estate developer Donald Trump? The 1 per cent or the 0.01 per cent? Or are we (almost) all capitalists because we have retirement and pension plans that make us the owners of capitalistic assets? Today's many diverse owners of capital might be the real parasites who toil not. So are we all guilty of capitalism, beneficiaries of its fruits and complicit in its flaws?

If we want to understand how problematic concepts emerge, what they mean and how they are used, we need to look at their ancestry. History is a good way of getting to grips with capitalism and its discontents, especially when it is told by someone who is rhetorically gifted and also deeply learned. Yet history too has had a bad rap. Historians who are stylistically superb can be systematically slick and superficial; the learned are incredibly knowledgeable about small chunks of the past, but clueless and hopeless about the big picture.

Fortunately Donald Sassoon, an emeritus professor of European history at Queen Mary College London, who has written extensively on cultural and political history, is both a brilliant writer and has a polymathic range. With *The Anxious Triumph*, he has produced a magnum opus, an accessible and genuinely global history of the transformative but unstable character of the capitalist phenomenon.

The half-century before the first world war has remarkable parallels with our own uncertain times. It is often thought of as the first age of globalisation — erroneously, in that there was global interconnectedness before. But large institutionalised capital flows, mass migration, expanded trade in products both necessary and frivolous, vast wealth and social disruption set the stage for a backlash that drove nationalism and conflict. And in the end produced the catastrophe of the first world war.

Sassoon is less concerned than many recent authors with telling the story of the brutal origins of capitalism. That approach has been a staple of the anti-capitalist literature since Karl Marx but has been revived in today's anxious age, especially by a school of younger writers who call themselves "historians of capitalism" and pride themselves on lambasting modern economic science. For Marx, capital was "dripping from head to foot, from every pore, with blood and dirt". By contrast, Sassoon doesn't worry too much about whether the initial profits were generated by rapacious plantation owners working with slave labour or from the expropriation of peasant farmers or simply from the appalling conditions of work in the early mines and factories. That is just a meaningless bit of mythmaking prehistory.

Instead, Sassoon tells a story that could easily be a celebratory one of how capitalism established the links and connections that made for a staggering general increase in prosperity and welfare. One of the most effective sections of *The Anxious Triumph* is the discussion of the mortality regime of the pre-capitalist world. Even the rich and famous mostly did not live long in the 19th century, and it wasn't just tuberculosis that killed them. Some statesmen had long lives. Palmerston got to 80, Bismarck to 83 and Gladstone to 88. But disease and death took many rulers and artists early. Composer Vincenzo Bellini died at 33 (intestinal disorder), while typhoid claimed both Franz Schubert (31) and poet Gerard Manley Hopkins (44). Sassoon provides a long list of easily curable conditions and problems, as well as social dysfunctions from lead and mercury poisoning to duelling.

The transition to the new dynamic was painful: at the beginning, extensive urbanisation meant unhealthy crowding and increased mortality. Then a virtuous cycle set in. There was medical progress but also consumer satisfaction as new products were sold in new ways that simply make life better. This is a tale of success from the invention of the department store (Paris, 1838) and the pricetag (Philadelphia, 1861) to the cash register (1879).

Competition drives capitalists to try harder to understand the customer. At the end of the 19th century, German sociologist Georg Simmel even thought that it inspired love of the customer. But not all needs are good. In a few hard-hitting pages, Sassoon contemplates one of the most sinister 19th-century ventures, as British merchants concluded that Chinese customers were so sated — they had the best food, the best tea, the best clothing — that the only demand they might have was for something quite new and alluring: opium.

In an interesting contrast of the early capitalist malaise with today's world, Sassoon claims that in the 19th-century version, it was easy to feel exploited by the system. Today, he argues, people wrestle with inexplicable and apparently increasing and unjust inequalities, yet don't feel exploited. They are more rather than less frustrated because there is no obvious real enemy and capitalism is delivering the stuff.

Sassoon ends the book with the amazing but correct claim that popular anti-capitalism has never affected the working of the system, and that no advanced country has experienced an armed or violent revolution. Revolutions are the results of failure to progress or of the strains of underdevelopment — as in 20th-century Russia or China — but not of the capitalist dynamic itself.

That systemic resilience came about because of the political changes brought by prosperity and progress: the extension of the franchise but also a novel politics that swept new social groups — and women — into the political system. The rise of capitalism, and the first phase of modern globalisation from the 1860s with the transatlantic steamship and the telegram, produced a demand for the state to intervene, protect, include and organise. Sassoon explains the interlinkage of the ascendancy of capitalism with the rise of the modern state in intriguing detail, with an odd twist: it was less pressure from below that forced change but rather the reflections and concerns of the political elite.

Sassoon then gives a convincing account of the relationship of capitalism with brutal western imperialism: it wasn't so much that the European quest for empire was driven by an economic imperative to create the basis for capitalism, but rather that the large European countries turned to overseas territorial expansion when they believed their own version of capitalism was floundering or failing. Britain did this in the late Victorian climacteric, when the US and Germany were overtaking it; France in the aftermath of the military defeat of the Franco-Prussian war.

Capitalism was amorphous, and it didn't have a message or a point. Sassoon quotes the great Cambridge economist (and admirer of Mao) Joan Robinson: "Modern capitalism has no purpose except to keep the show going." Its nemesis in various forms of socialism was a politically controlled project that Sassoon describes as "devised by conscious political actors".

While capitalism is constantly changing, politics was not only about protection but about achieving dominance over other societies. That is why the logical point for Sassoon to end the narrative is with the disaster of 1914. The causal dynamic runs from capitalism to anxiety to a search for protection to a demand for dominance. And Sassoon ends by asking whether the confrontation of Chinese and western capitalism is a repetition of that old logic of a century ago.

States did not and could not understand competition and how it worked dynamically. A striking example was when a liberal Japanese intellectual tried to translate an economics textbook and thought that the best term for competition would be an invented word, *kyōsō* — race-fight or contest.

As that dynamic of states shaping capitalism played out, social and political thinking was transformed and uprooted — and became in part deeply incoherent. By the end of the 19th century, conventional economic liberalism was discredited, and Sassoon approvingly quotes political scientist Michael Freedman to the effect that socialism “in its general ethical sense had become part of the liberal terminology”. Even the liberals — the capitalist elites — began to speak of laissez-faire with scorn. This transformation of ideas produced a topsy-turvy world by the early 20th century. Romania, which Sassoon deploys effectively as a key barometer of global trends, is a fine illustration of the transformation. “So the Liberals were statist and protectionists, whereas the Conservatives feared a strong state and were in favour of free trade.”

The polarisation occurred around the question of orientation to an international connectedness in preference to a national carapace. Again Romania gives a striking example: playwright and historian Nicolae Iorga complained that too many plays in Bucharest were performed in French, creating a division between the people and the “good and the great and the rich who speak another language”. The liberals were in a trap: they had insisted that they should do things by themselves, “prin noi insine”, the Romanian equivalent of “America First,” but that brought the whole package of nationalism, anti-cosmopolitanism and anti-Semitism. David Goodhart’s recent account of society’s present polarisation into hostile tribes of “anywhere” and “somewhere” was also the great division at the end of the 19th century.

Capitalism means the mobility of people, as well as of goods and capital and ideas. Sassoon rightly says that “global migration reproduced the essential condition for the reproduction of capitalism”, uprooting peasants from the land and expanding markets for commodities. The author details some of the backlashes against migration and of a new nativist struggle. The particularly human effects of migration may be a little underplayed in his account.

A major critique of early capitalism — made by Marx and Engels — was that capitalism destroyed the family, which they saw as the key social institution of the world of the bourgeoisie. But in the event successful capitalism in the late 19th century freed more people to engage in romantic affection and then associated that emotion (love) with the formation of families. It provided some stability in an anxious world. By contrast, in the early 21st century, in many rich societies the breakdown of family existence leads to poverty and social fragmentation, and has become one of the hallmarks of the “deaths of despair” that afflict the US — and increasingly also the UK.

Capitalism sometimes relies on spinning and mis-selling. The only slight mis-selling of this book is in the chronology offered in the subtitle, 1860 to 1914. It’s really also a study of modern capitalism that looks back to the early phases of Britain’s Industrial Revolution but also forwards to modern globalisation and hyper-financialisation and today’s populist backlash. Sassoon slaps capitalism, but it is in part a congratulatory (and deserved) slap. This is a book for today and tomorrow.

Harold James is Professor of History and International Relations at Princeton University