The Transnational Dimensions of the New Deal

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"We have learned that we cannot live alone, at peace," Franklin Roosevelt declared in 1945; "our own well-being is dependent on the well-being of other Nations, far away." That lesson, President Roosevelt implied, had not been applied by the United States in the aftermath of World War II. And, Kiran Klaus Patel, a professor of history at Maastricht University in the Netherlands, argues, "the propensity to insulation" had also characterized Roosevelt's New Deal in the 1930s, to the detriment of the American and global economies.

In The New Deal: A Global History, Patel maintains that a nation-centered interpretation of the New Deal is misleading. The Great Depression, he points out, created an "intense global moment." The response of the Roosevelt administration to the crisis was not a digression from a policy "norm" chosen by others, "but a distinct, national variation to a larger pattern, and its domestic and foreign dimensions were powerfully linked." National leaders in the United States and elsewhere watched and learned from one another. The "rather narrow arsenal of alternatives" they drew on included nationalism, government action, welfare state building, and charismatic personalities. Ironically, Patel adds, with a compelling argument that is profoundly relevant to the twenty-first century, by making short term domestic needs a priority, the United States not only harmed itself but failed a global economy which depended heavily upon it.

Driven by the Great Depression, the failure of laissez-faire policies, and the apparently success of the Soviet Union in transforming itself from an agrarian peasant society to a full-employment industrial power, Patel indicates, nations great and small embraced the concept of a planned national economy but were unwilling to make significant changes in core tenets, especially property rights and profits. And transnational references shaped the details of their initiatives. As she convened a group of experts in 1934 to draft a comprehensive social security program, for...
example, Secretary of Labor Frances Perkins told them to be familiar with every experiment in every country. Significantly, however, although the Social Security Act of 1935 was close to the German model of a mandatory insurance financed by payroll taxes, policymakers were loath to acknowledge the connection, evoking instead the American traditions of individual responsibility and self-reliance.

Ironically, Patel writes, even as New Dealers traveled to Europe to study policies "as diverse as street cleaning and forestry, leisure organizations and labor services," they used transnational precedents to find a "better national solution to the double crisis of democracy and capitalism. Ideas and programs revolving around international cooperation fell on deaf ears in New Deal Washington." In fact, the United States "ultimately contributed to a loosening of the links between societies, and reduced economic globalization and political cooperation."

It was World War II, Patel suggests, that reinforced New Deal tendencies, such as an active, managerial state, responsible for welfare, regulation and security - and led to a far greater commitment to international engagement. In a sense, the eight point joint declaration issued by Roosevelt and Prime Minister Winston Churchill, now known as the Atlantic Charter, the United Nations, the World Bank, and the International Monetary Fund constituted attempts to project the principles of the New Deal onto the world.

In the twenty-first century, Patel concludes, the New Deal is no longer iconic in the United States. Indeed, its ramifications appear to be more resonant globally than domestically. And the New Deal seems less and less relevant, in some quarters, at least, to debates about promoting American prosperity and avoiding another Great Depression.

These days, while some politicians rely on policies designed to maintain the stability of financial institutions and currencies, open international markets, and promote free trade, others often sound like the advocates of "isolation" or "insulation" in the 1920s and '30s. The build a wall, circle the wagons, keep the immigrants out mentality clearly connects with some voters in 2016, especially those who are white and/or at the bottom of the economic pyramid at a time of unprecedented income inequality.

It's time, is it not, for a new New Deal for the United States, principled and pragmatic, that addresses twenty-first century domestic and international realities? And it's discouraging, is it not, that no candidate for president is proposing one?