

The Origins of Economic Nationalism in Europe

Antonio Magliulo
Rome University of International Studies

Abstract

The return of economic nationalism in Europe, and all over the world, is one of the main phenomena of our time that questions intellectuals, politicians and ordinary people. How can we reconcile democracy – which we have basically experienced inside nation-states – with markets that need global spaces? How can we prevent the fair defence of the national interest from destroying the social cooperation that generates the common welfare?

In Europe, and all over the world, scholars of different disciplines are trying to find an answer to these challenging questions.

The aim of this paper is to give a small contribution to a great issue: How and Why the economic nationalism was born in Europe?

In the paper I argue that modern economic nationalism was born (or reborn) in Europe at the end of the XIX century during the First Globalization when people and countries experienced the free movement of both goods and capitals. Before, in a world of imperfect mobility of workers and savings, it was sufficient to ensure the free trade of goods in order to establish an acceptable harmony of national interests. Then, during the First Globalization, each country had to decide whether to guarantee the free movement of people or to defend the national boundaries. The origin of economic nationalism in Europe lies, under the influence of pervasive economic ideas, in a non-cooperative strategy to manage the First Globalization: each country was looking for its own “living space” against others and Europe entered the Age of Imperialism.

The paper is structured into three parts: a) The influence of classical economists in shaping a Europe of Liberal Nation-States; b) The displacement of liberalism by etatism in the last part of XIX century; c) The European Order after the Treaty of Versailles.