

## Capitalism, Peace, and the Historical Movement of Ideas

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*A logical and causal exploration of the growing acceptance of capitalism and peace, or war aversion, is part of what Robert Dahl has called “the historical movement of ideas.” Although war aversion and the acceptance of free-market capitalism have undergone parallel and substantially overlapping historical trajectories, support for capitalism does not on its own logically or necessarily imply war aversion or support for peace. Not only must capitalism be embraced as an economic system, but at least three other ideas must be accepted as well: prosperity and economic growth must be taken as a dominant goal; peace must be seen as a better motor than war for development, progress, and innovation; and trade, rather than conquest, must be held to be the best way to achieve the dominant goal. Moreover, the causal direction may well be misspecified: it is not that free-market capitalism and the economic development it spawns cause peace, but rather that peace causes—or facilitates—capitalism and its attendant economic development. This also may explain why peace is more closely associated with capitalism than with democracy.*

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Robert Dahl has observed that “because of their concern with rigor and their dissatisfaction with the ‘softness’ of historical description, generalization, and explanation,” most social scientists have turned away from what he calls, “the historical movement of ideas”. The result, he suggests, is that their theories, “however ‘rigorous’ they may be, leave out an important explanatory

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variable and often lead to naive reductionism.” Since beliefs and ideas are often, as Dahl notes, “a major independent variable,” to ignore changes in ideas, ideologies, and attitudes is to leave something important out of consideration (1971:182–183, 188).

Over the last few centuries there have been remarkable changes in many major ideas about the way societies and the world should be arranged. For example, there have been notable declines in formal slavery, capital and corporal punishment, torture, vendetta, blood feuds, monarchy, and smoking, and there has been the rising acceptance of humane prisons, pornography, abortion, racial and class political equality, women’s rights, labor unions, environmentalism, gay rights, and the determined application of the scientific method.

Important in this process, it appears, are the exertions of idea entrepreneurs. Beginning in the late nineteenth century, for example, groups began assiduously to market the idea that war—or at least war among developed countries—is a bad idea, and, despite many setbacks, their efforts seem to have been at least partly responsible for the historically-unprecedented absence of major war for most of a century now (Mueller 1989, 1995: chapter 9, 2004, 2009). And over the course of the last couple of centuries other idea entrepreneurs sought to market the ideas that democracy is the most desirable form of government and that free-market capitalism is the best way to organize the economy, in each case with what looks today to have been a fair amount of success (Mueller 1999: chapters 5 and 8).

A focus on idea entrepreneurs recommends itself because it is often difficult to come up with material reasons to explain the historical movement of ideas. For example, slavery declined over the nineteenth century when, as Seymour Drescher points out, the Atlantic slave trade “was entering what was probably the most dynamic and profitable period in its existence” (1987:4). Stanley Engerman notes that, in “the history of slave emancipation in the Americas, it is difficult to find any cases of slavery declining economically prior to the imposition of emancipation.” Rather, very much in line with Dahl, he stresses the importance of “political, cultural, and ideological factors” to explain the phenomenon (1986:322–333, 339; see also Eltis 1987). Similarly, one might be inclined to argue that the remarkable decline in war among developed states is due to the increasing costs of such wars (for example, Kaysen 1990). But medieval wars were often absolutely devastating (Kaeuper 1988:77–117), while within a few years after a terrible modern war, World War I, most of the combating nations had substantially recovered economically (Overy 1982:16). The “most meaningful question,” observes Alan Milward, “is whether the cost of war has absorbed an increasing proportion of the increasing Gross National Product of the combatants. As an economic choice war, measured this way, has not shown any discernable long-term trend towards greater costliness” (1977:3). Democracy began

to take root in substantial countries by the end of the eighteenth century even though it had been known as a form of government for millennia and even though there seem to have been no technological or economic advances at the time that impelled its acceptance (Mueller 1999:197–200).<sup>1</sup>

None of this is to suggest that the efforts of idea entrepreneurs invariably succeed. Many, probably most, promoted ideas meet with far more failure than success, and some, like Communism and fascism, have enjoyed a period of considerable success only eventually to die out. Indeed, if extensive purposeful promotion could guarantee acceptance, we'd all be driving Edsels. Or, put another way, anyone who can accurately and persistently predict or manipulate tastes and desires would not be writing about it, but would move to Wall Street to become in very short order the richest person on the planet.

Many of the ideas that have grown in acceptance over the last few centuries relate to one another, and sometimes they have been promoted by the same idea entrepreneurs. However, although the ideas have taken parallel—and often overlapping or correlated—trajectories, it is not clear they are consequentially or logically or necessarily dependent on each other. It is quite possible, for example, to oppose slavery or capital punishment, but not war; to promote the political freedoms necessary for democracy without accepting the economic liberties necessary for free-market capitalism; to embrace class or ethnic equality, but not gender equality. And people who strongly oppose abortion on moral grounds may still accept capital punishment and may be appalled by those who have the opposite predispositions.

In assessing the relationship, if any, between capitalism and peace (or war aversion) in this article, I will first explore the logical connection between the two ideas and then their possible causal connection.

### CONNECTING CAPITALISM AND PEACE: LOGIC

Although the idea strands of war aversion and the acceptance of free-market capitalism have undergone parallel and substantially overlapping historical trajectories, support for capitalism does not on its own necessarily imply war aversion or support for peace. In fact, for people to embrace the slogan “Make money, not war!” as proposed by Nils Petter Gleditsch (2008:707), they must not only embrace capitalism as an economic system, but must logically accept at least three other, or underlying, ideas. They must take economic prosperity and development as a dominant goal; they must see

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<sup>1</sup>For a critique of the notion that economic development is a prerequisite for democracy, see Mueller 1999.

peace as a better motor than war for development, progress, and innovation; and they must come to believe that trade, rather than conquest, is the best way to achieve their chief goal.

### The Growth of Economic Well-being Should be a Dominant Goal

For capitalism—or indeed economic considerations in general—to have an effect on war aversion, it would be necessary, first, to convince people that getting rich is an important goal—for the world to come to value economic well-being above passions that are often economically absurd (see also Hirschman 1977; McCloskey 2006: part 3). That is, for capitalism, or economic development, to have much bearing on decisions about war, it is necessary for the single-minded pursuit of wealth to be unashamedly accepted as behavior that is desirable, beneficial, and even honorable.

The general acceptance of capitalism—the notion that the economy should be arranged to allow for the free exchange of goods and services with minimal government intervention—will be of little consequence, or even interest, to those who do not think achieving wealth is a particularly important goal. And, traditionally the notion that one should give favor to people who are acquisitive—to people who are centrally, indeed entirely, occupied with advancing their own long-term wealth—has been repulsive to those who aspire to values and goals they consider far superior such as honor, heroism, empathy, altruism, sacrifice, selflessness, generosity, piety, patriotism, racism, self-respect, spirituality, nationalism, and compassion. In contrast, economic motives have been routinely condemned as crass, materialistic, cowardly, vulgar, debased, hedonistic, uncaring, selfish, immoral, decadent, and self-indulgent. Thus, as Simon Kuznets has pointed out, the quest for otherworldly eternity and the quest to maintain inborn differences as expressed in class structure have often been taken to be far superior to economic advancement (1966:12–14).

An important area in which noneconomic values have commonly dominated is war. For centuries, thinkers have held peace to be immoral, decadent, corrupt, materialistic, and base. According to Friedrich Nietzsche, “It is mere illusion and pretty sentiment to expect much (even anything at all) from mankind if it forgets how to make war,” and Prussian General Von Moltke declared “perpetual peace” to be “a dream and not even a beautiful one . . . Without war, the world would wallow in materialism.” Similarly, J.A. Cramb, a British professor of history, characterized universal peace as “a world sunk in bovine content.” In the United States, the president of the Naval War College found peace to be “more degrading” than war’s “simple savagery.” Aristotle held that “a time of war automatically enforces temperance and justice: a time of the enjoyment of prosperity, and license accompanied by peace, is more apt to make men overbearing.” And five years before writing his treatise, *Perpetual Peace*, Immanuel Kant maintained that

“a prolonged peace” tended “to degrade the character of the nation” by favoring “the predominance of a mere commercial spirit, and with it a debasing self-interest, cowardice, and effeminacy” (Kant 1952:113; for other sources see Mueller 1989: chapter 2; see also Mueller 2004; Lebow 2008).

In result, capitalism—or economic development in general—has regularly been irrelevant to war’s prosecution. Whether war does or does not advance economic well-being has often been of no interest whatever because the people prosecuting the war do not value economic development. When economic motivations have been put forward, they have often seemed like a rationale for impulses that are actually more nearly moral, aesthetic, emotional, or psychological. As Quincy Wright observed after a lifetime of study of the matter:

Studies of both the direct and the indirect influence of economic factors on the causation of war indicate that they have been much less important than political ambitions, ideological convictions, technological change, legal claims, irrational psychological complexes, ignorance, and unwillingness to maintain conditions of peace in a changing world (1968:463).<sup>2</sup>

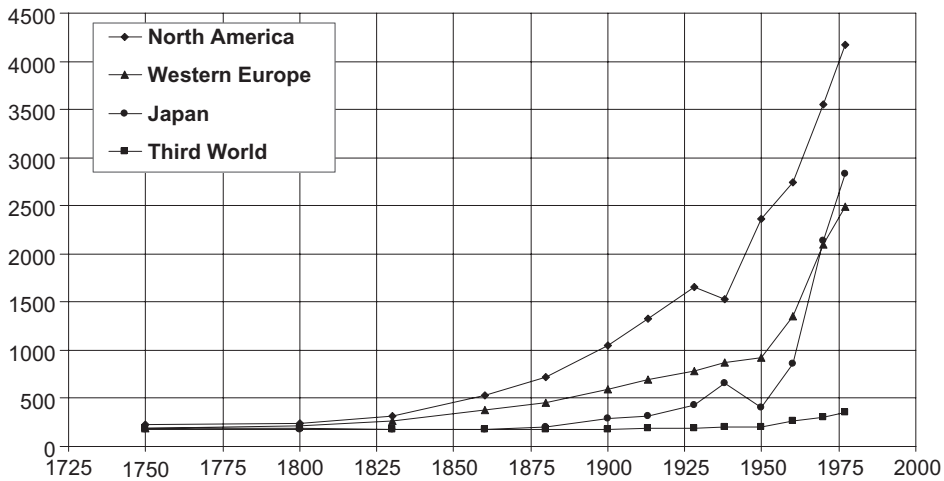
An important reason economic development issues have traditionally played such a limited role in war initiation is that full recognition of the notions that economic growth is possible and that wealth can be “created” are fairly new. Over the course of most of history, wealth has routinely been held to be a zero-sum game: if one person becomes rich, some other person must be becoming poorer.

This lack of appreciation of the notion of economic growth is understandable because, throughout most of history, economies have, in fact, *not* grown. Perhaps the most important single fact about economics, economic history, and economic development—and, indeed, about human material well-being—is tidily conveyed in Figure 1. In 1750, as can best be determined, all areas of the world were fairly equal economically—actually, equally poor by contemporary standards since the vast majority of people everywhere, and at all times up until then, lived in severe misery, even wretchedness.<sup>3</sup> Economic historian Paul Bairoch, whose data are displayed in the figure, estimates that the ratio in per capita wealth between the richest

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<sup>2</sup>For an extensive discussion of the varying role of economics as a motivation, or excuse, for war, see Luard 1986.

<sup>3</sup>As Rosenberg and Birdzell put it: “If we take the long view of human history and judge the economic lives of our ancestors by modern standards, it is a story of almost unrelieved wretchedness. The typical human society has given only a small number of people a humane existence, while the great majority have lived in abysmal squalor. We are led to forget the dominating misery of other times in part by the grace of literature, poetry, romance, and legend, which celebrate those who lived well and forget those who lived in the silence of poverty. The eras of misery have been mythologized and may even be remembered as golden ages of pastoral simplicity. They were not” (1986:3; see also Marshall 1890:2–4).



**FIGURE 1** Real GNP per capita, 1750–1982 (1960 U.S. dollars and prices).

Source: Bairoch 1993:95.

and poorest countries was then no more than 1.6 to 1. However, beginning in the nineteenth century, and accelerating thereafter, an enormous gap opened when North America, Europe, and, eventually, Japan began to grow significantly. And in more recent years, growth from historic (and low) levels has begun to take place worldwide (Bairoch 1981:3, 80).

This remarkable, even astounding, historic change has been dubbed “the European miracle” by Eric Jones (1987). But whatever the reasons for this remarkable development, until pretty much the end of the nineteenth century, the idea that economies could actually grow could scarcely have been appreciated by most people because, in fact, during just about the whole of the previous course of human development, none, essentially, had.

Economic development did lead Europeans to an increased appreciation for capitalism. However, capitalist development alone did not cause most people to fully embrace economic growth as a dominant goal even in rapidly-developing Europe.

Michael Howard notes that at one time the developed world was organized into “warrior societies” in which warfare was seen to be “the noblest destiny of mankind.” This was changed, he suggests, by industrialization which “ultimately produces very unwarlike societies dedicated to material welfare rather than heroic achievement” (1991:176). The main problem for this generalization is that industrialization spoke with a forked tongue. The developed world may have experienced the industrial revolution, enormous economic growth, the rise of a middle class, a vast improvement in transportation and communication, surging literacy rates, and massive increases

in international trade.<sup>4</sup> But if this experience encouraged some people to abandon the war spirit, it apparently propelled others to fall, if anything, more fully in love with the institution. Howard himself traces the persistence, even the rise, of a militaristic spirit that became wedded to a fierce and expansionist nationalist impetus as industrialization came to Europe in the nineteenth century. And, of course, in the next century industrialized nations fought two of the greatest wars in history. Thus, industrialization can inspire bellicism as much as pacifism. Howard never really provides much of an explanation for how or why industrialization must inevitably lead to an antimilitary spirit, and he simply attributes the horrors and holocausts that accompanied industrialization to “the growing pains of industrial societies” (1991:1).

The remarkable capitalistic development of the nineteenth century was accompanied by a rising antiwar movement, particularly in its last decade. However, this set of idea entrepreneurs remained a small, gadfly enterprise, and it took the experience of the cataclysm of World War I, perhaps embellished by that of its even more violent successor twenty years later, to fully undercut the appeal of the martial virtues (Mueller 1989:24–30, 1995:9). Capitalist economic development alone, no matter how impressive, was clearly insufficient to do that.

### Peace Is Better than War for Promoting Innovation, Progress, and Growth

Even if one accepts free-market capitalism and holds economic development and the growth of material well-being to be dominant goals, it does not necessary follow that peace is the best engine for development and progressive innovation. Many who have accepted the importance of innovation and development have also argued that war is a more progressive engine than peace—that war, and the preparations for it, act as a stimulus to economic and technological innovation and to economic growth.

In 1908, for example, H. G. Wells, who was by no means a warmonger, found commercial advances to be “feeble and irregular” compared to the “steady and rapid development of method and appliances in naval and military affairs.” He noted that the household appliances of his era were “little better than they were fifty years ago” but that the “rifle or battleship of fifty years ago was beyond all comparison inferior to those we now possess” (1908:215–216). And Wells was hardly alone: the argument that war was an important stimulus to technological development was common in his era (Milward 1977:2).

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<sup>4</sup>For sources of data on these trends, see Mueller 1995:143n.

Taking the consideration further, many have found war to be a key element in promoting civilizational and evolutionary progress more generally. The Prussian historian, Heinrich von Treitschke, proclaimed that “the great strides which civilization makes against barbarism and unreason are only made actual by the sword” and that “brave people alone have an existence, an evolution or a future; the weak and cowardly perish, and perish justly” (1916: Vol. 1, 21, 29, 65). General Friedrich von Bernhardi maintained that war was a “powerful instrument of civilization” and “a political necessity . . . fought in the interest of biological, social and moral progress.” For him it had “a necessary place in historical development” because it was “a regulative element in the life of mankind which cannot be dispensed with,” and he warned that “without war inferior or decaying races would easily choke the growth of healthy budding elements, and a universal decadence would follow” (1914:18, 20, 111).

In this Treitschke and Bernhardi were reflecting the views of some Social Darwinists like the British statistician Karl Pearson, who felt he had discovered a correlation in 1900: “The path of progress is strewn with the wreck of nations . . . who found not the narrow way to great perfection. These dead people are, in very truth, the stepping stones on which mankind has arisen to the higher intellectual and deeper emotional life of today.” In 1871 a French intellectual, Ernest Renan, called war “one of the conditions of progress, the cut of the whip which prevents a country from going to sleep, forcing satisfied mediocrity itself to leave its apathy”; and in 1899 British intellectual H.W. Wyatt argued, “The only means, revealed to us by past experience, whereby the vigorous people has supplanted the weaker, has been war without which change and movement must have ceased.” In 1891, Émile Zola declared that “it is only warlike nations which have prospered: a nation dies as soon as it disarms.” In America, Henry Adams concluded that war “called out the qualities best fitted to survive in the struggle for existence”; and Admiral Stephen Luce declared that “war is one of the great agencies by which human progress is effected.” In like manner, Russian composer Igor Stravinsky once declared war to be “necessary for human progress.”<sup>5</sup>

### Wealth Is Best Achieved Through Exchange, Not Through Conquest

In 1795, reflecting a view of Montesquieu and others, Immanuel Kant argued that the “spirit of commerce” is “incompatible with war” and that, as commerce inevitably gains the “upper hand,” states would seek “to promote honorable peace and by mediation to prevent war” (1957:24; see also Hirschman 1977:79–80, 134–135). However, this notion is incomplete

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<sup>5</sup>For sources for these quotes, see Mueller 1989:44–45. See also Stromberg 1982. Even some war opponents have bought the notion that war could be progressive; they tried to argue, however, that while war may once have been productive and necessary, it was no longer so: Emerson 1904:151, 152, 155, 156, 159, 161; Spencer 1909:664–665).

because, as nineteenth-century British historian, Henry Thomas Buckle pointed out, “the commercial spirit” has often been “warlike” (1862:157).

Buckle did, however, see this changing, and he hailed Adam Smith’s *Wealth of Nations* as “probably the most important book that has ever been written” because it convincingly demonstrated that gold and silver are not wealth, but are merely its representatives and because it shows that true wealth comes not from diminishing the wealth of others, but rather that “the benefits of trade are of necessity reciprocal” (1862:154, 157). These conclusions are elemental and profound, and, as Buckle suggests, they had once been counterintuitive—that is, Smith and others had to discover them and point them out. Buckle went on to conclude that Smith’s key economic discovery was the “leading way” in which the “warlike spirit” had “been weakened” (1862:146, 151–158).

The problem is, however, that, even if one embraces material well-being as a dominant goal, even if one rejects the notion that war is better than peace as an engine of progress, and even if one accepts the notion that wealth comes from exchange, it does not necessarily follow that war—and particularly conquest—is a bad idea.

Indeed, an important reason why “the commercial spirit” has so frequently been “warlike” is that it is entirely possible that military conquest can be economically beneficial. As free traders would stress, the United States owes much of its prosperity to the fact that it is the world’s largest free trade zone. But its enormous size was quite notably established by various forms of *Lebensraum*-like conquest—victory in a war with Mexico and with a series of them against Indians, who happened to occupy turf Americans were systematically determined to occupy.

Particularly in the early years, West European populations conquered by the Nazis during World War II, while deeply resenting the occupiers, kept out of trouble by cooperating in the sense of carrying out their normal occupations and functions, and this, as Norman Rich as observed, “kept the routine business of government and the economy going and thereby enabled the Nazis to rule, and to exploit, the occupied countries with a minimum investment of German personnel” (1974:423). Indeed, the Germans often found that occupation could be quite profitable. The people of the occupied territories continued to turn out products necessary for Germany’s war, and the occupiers levied taxes, charged “occupation costs,” and engaged in other financial devices to obtain revenue. The sums so received were far higher than the actual costs of maintaining the occupying army; the occupation of France was particularly profitable (Milward 1977:137–141; Rosecrance 1986:35–36; Liberman 1996).

Logically, in fact, an ardent free trader should favor conquest—at least when damage is minimal and when long-term resentments are not stirred up—since this would expand the free trade zone to the general benefit. For example, free traders would presumably hold that all North Americans would be better off economically if Canada were able consensually, and at

low cost benevolently, to conquer the United States because the Canadians in their wisdom would doubtless eliminate all trade barriers that currently exist between the two countries.

Thus, commerce becomes, in Kant's phrase, "incompatible with war" *only* when it is accepted that wealth is best achieved through exchange rather than through conquest. It was with that goal in mind that antiwar idea entrepreneurs like the English journalist and economic writer, Norman Angell, sought to undercut the appeal of empire by convincing people that trade, not conquest, is the best way to accumulate wealth.<sup>6</sup>

In 1908 he declared it "a logical fallacy to regard a nation as increasing its wealth when it increases its territory." Adopting a free trade perspective, he pointed out that Britain "owned" Canada and Australia in some sense, yet did not get the products of those countries for nothing—it had to pay for them just as though they came "from the lesser tribes in Argentina or the USA." The British, in fact, could not get those products any cheaper than the Germans. Thus, he asked, "If Germany conquered Canada, could the Germans get the wheat for nothing? Would the Germans have to pay for it just as they do now? Would conquest make economically any difference?" The popular notion that there were limited supplies in the world and that countries had to fight to get their share was nonsense, Angell argued. Indeed, he contended, "the great danger of the modern world is not absolute shortage, but dislocation of the process of exchanges, by which alone the fruits of the earth can be made available for human consumption" (1914:31; 1933:108, 17).

Critics, such as the prominent American naval historian Admiral A.T. Mahan, countered this economic argument by noting that some wars, particularly short and cheap ones, could be economically beneficial. Not only could conquest provide a place to send excess population and establish a country in a predominant position, but it could break down invidious tariff barriers by superimposing wider governments over pettier factions; after all, large businesses are often more profitable than small ones (1912:131). Angell countered that a nation's "wealth, prosperity, and well-being . . . depend in no way upon its military power," noting that the citizens of such war-avoiding countries as Switzerland, Belgium, or Holland were as well off as the Germans, and much better off than the Austrians or Russians. Moreover, he continued to insist that, on balance, the inescapable economic chaos of war "makes economic benefit from victory impossible" (1914:36; 1933:89–92, 230; 1951:165)—something likely to hold for the vast majorities of wars.

Idea entrepreneur Angell helped to crystallize a line of reasoning that has been gaining in acceptability ever since, and this has helped lead to one of the most remarkable changes in world history: the virtual eradication of the ancient and once-vital notion of empire. Thus, as Richard Rosecrance

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<sup>6</sup>On this issue, see also Nadelmann 1990; Rosenberg and Birdzell 1986:17; Crawford 2002.

observes in *The Rise of the Trading State*, more and more countries have come to the conclusion that the path to wealth is through trade rather than through conquest, and he cites the striking and important examples of two recent converts: “Today West Germany and Japan use international trade to acquire the very raw materials and oil that they aimed to conquer by military force in the 1930s. They have prospered in peaceful consequence.” Among trading states, Rosecrance observes, “the incentive to wage war is absent” (1986:16, 24; see also Gleditsch 2008:707). Put another way, free trade furnishes the economic advantages of conquest without the unpleasantness of invasion and the sticky responsibility of imperial control.

### CONNECTING CAPITALISM AND PEACE: CAUSATION

Logic suggests, then, that international war is unlikely if people come to accept three additional ideas: they must take prosperity and economic growth as a dominant goal; they must see peace as a better motor than war for development, progress, and innovation; *and* they must come to believe that trade, rather than conquest, is the best way to achieve their dominant goal. All three propositions have now gained wide currency, and, although international war has hardly evaporated from the planet, it is worth noting that the nations of the developed world have avoided war with each other for the longest period of time in millenia and that, despite the great increase in the number of independent countries, international war has become quite rare (Mueller 2009; see also Gleditsch 2008). This remarkable development may at least partly be due to the increasing joint acceptance of the capitalist/peace propositions. Over time, most countries in most areas of the world have opted for peace and, not unrelatedly, for the banal pleasures of capitalist economic development.<sup>7</sup>

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<sup>7</sup>Kant was probably right to suggest that the “commercial spirit” wallows in “self-interest, cowardice, and effeminacy,” something that might be called the Kantian triangle (compare Russett and Oneal 2001). However, under that “commercial spirit,” people can service their long-term economic *self-interest* only if they are able to provide a good or a service other people freely find of value, and they will generally profit best if they adopt business practices that are honest, fair, civil, and compassionate (Mueller 1999: chapter 2). In addition, although it may be an act of *cowardice* by the standards of those who exalt the martial virtues to turn one’s back when insulted, it is possible, by other standards, to suggest that lethal battles fought over the cut of one’s coat or over the color of one’s sneakers or over “spheres of influence” are not only economically foolish, but quite childish. And if it is a sign of *effeminacy* to avoid unnecessary conflict, to temper anger, and to be guided by the not entirely unreasonable notion that other people do, in fact, sometimes have feelings, that gentle, accommodating behavior is, in general, economically beneficial and facilitates trade and prosperity, and might be quite desirable even if it does sometimes come laden with a degree of treacherly sentimentality. Thus, despite Kant’s stern and intemperate disapproval, a society—indeed, a world—dominated by self-interest, cowardice, and effeminacy might turn out to be entirely bearable. As both peace and the “commercial spirit” have been embraced and as they interact productively, many areas of the world have increasingly moved in that direction. See also McCloskey 2006.

But there is another consideration. One of the curiosities about the historical movement of ideas is that over the last few centuries ideas that have successfully filtered throughout the world have tended to do so in one direction—from West to East. Indeed, the process has often been called “Westernization.” Thus, Taiwan has become more like Canada than Canada has become like Taiwan, Gabon more like Belgium than Belgium like Gabon (on this issue, see also Nadelmann 1990:84). This means there is something of a standard geographic correlation or clustering: countries that early embraced war aversion were also generally early to take up democracy, capitalism, science, pornography, gay rights, and abortion, and early as well to abandon slavery, monarchy, blood feuding, capital punishment, and the church.

As suggested earlier, it may in general be best to see each idea movement as an independent phenomenon rather than contingent on something else or on another idea stream, rather in the way that skirt lengths are determined far more by fashion whims than by the availability of cloth and thread. There will be a correlation between the acceptance of the ideas, but it may be essentially spurious: countries that come to embrace international peace in about the same order as they embrace democracy and capitalism, but that should not be taken to imply that democracy or capitalism necessarily “lead to” peace or that there is a “democratic peace” or a “capitalist peace.”

In fact, it may well be that any causal relationship between capitalism, democracy, and peace needs reexamination, and that the literature on the subject has it backwards. Insofar as there is a causal relationship between the ideas, it may be best to see peace as an independent variable not, as in the common approach, as a dependent one.

Thus, it may not be that the cluster of ideas about capitalism leads to peace, but the other way around. Although there may be a correlation between the rise of free-market capitalism and of war aversion, any causal relationship between them is rather different—indeed, just the opposite—of what has just been implied. It is not so much that free-market capitalism and the economic development it spawns cause peace, but rather that peace causes—or perhaps better, facilitates—capitalism and its attendant economic development. It is peace, not capitalism, that is the determining factor in the relationship.

Something like this may also hold for the correlation between the rise of war aversion and the rise of democracy. Peace may furnish countries with security and space in which to explore and develop democracy (see also Pietrzyk 2002, Payne 2006). That is, democracy (or democratic idea entrepreneurs) are more likely to flourish when the trials, distortions, and disruptions of war are absent. Countries often restrict or even abandon democracy when domestic instability or external military threat seems to loom. By the same token, when they are comfortably at peace, people may

come to realize that they no longer require a strongman to provide order and can afford to embrace the benefits of democracy even if those might come with somewhat heightened uncertainty and possibly with the potential for less reliable leadership.

However, the relationship by which peace facilitates market capitalism and economic growth is likely to be considerably stronger than the one by which it facilitates democracy. This presumably holds especially with respect to international trade. International tensions and the prospect of international war have a strong dampening effect on trade because each threatened nation has an incentive to cut itself off from the rest of the world economically in order to ensure that it can survive if international exchange is severed by military conflict. Thus, it has frequently been observed that militarized disputes between countries reduce trade between them (Pollins 1989a, 1989b; Li and Sacko 2002). By contrast, if a couple of countries that have previously enjoyed a conflictual relationship lapse into a comfortable peace and become extremely unlikely to get into war, businesses in both places are likely to explore the possibilities for mutually beneficial exchange. The Cold War could be seen in part as a huge trade barrier and, with the demise of that politically-derived and economically-foolish construct, trade has been liberated. And the long and historically-unprecedented absence of war among the nations of Western Europe has not been caused by their increasing economic harmony. Rather, their economic harmony has been caused, or at least substantially facilitated, by the long and historically unprecedented peace they have enjoyed.<sup>8</sup>

This line of thought also relates to studies concluding that any democratic peace is conditioned by economic development (Mousseau 2009:56). As noted, peace does probably facilitate democratic development, but it likely facilitates economic development far more—hence there is a closer relationship between peace and capitalism than between peace and democracy. But the causal relationship is not that democracy and/or capitalism cause peace. Rather, if other issues are in proper alignment, it is peace that causes—facilitates, makes more possible—democracy and capitalism.

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<sup>8</sup>The same may hold for the rise of international institutions and norms. They often stress peace but, like expanded trade flows, they are not so much the cause of peace as its result. Many of the institutions that have been fabricated in Europe—particularly ones like the coal and steel community that were so carefully forged between France and Germany in the years following World War II—have been specifically designed to reduce the danger of war between erstwhile enemies. However, since it appears that no German or Frenchman in any walk of life at any time since 1945 has ever advocated a war between the two countries, it is difficult to see why the institutions should get the credit for the peace that has flourished between those two countries for the last half century and more (as in Russett and Oneal 2001:158; Ikenberry 2001: chapter 6). They are among the consequences of the peace that has enveloped Western Europe since 1945, not its cause. As Richard Betts puts it for institutions of collective security, “peace is the premise of the system, not the product” (1992:23–24, emphasis removed; see also Schweller 2001:183).

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