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The perversity of the relationship between national economies and war

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Economistes contre la course aux armements

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Two conceptions coexist concerning the relationship between the economy and war. The first considers that the costs of national defense constitute a burden for the national economy, while in another conception, war and economy are often considered as historically linked products. However, until very recently, the possession of wealth (through predation) and power were the two main stated reasons for wars. War is analyzed either as an expression of the struggle of national entities in the face of economic scarcity, but also in their hegemonic will, or as a burden to be overcome. War is the culmination of the political struggle for hegemonic power, against scarcity or for opulence.

Deux conceptions coexistent concernant les rapports entre l'économie et la guerre. La première considère que les coûts de la défense nationale constituent un fardeau pour l'économie nationale, alors que, dans une autre conception, la guerre et l'économie sont souvent considérés comme des produits historiquement joints. Cependant, jusqu'à une période très récente, la possession des richesses (par la prédation) et la puissance constituaient les deux principales raisons avouées des guerres. La guerre est analysée soit comme l'expression de la lutte d'entités nationales face à la rareté économique, mais aussi dans leur volonté hégémonique, soit comme un fardeau dont il faudrait arriver à s'en passer. La guerre est le point culminant de la lutte politique pour la puissance hégémonique, contre la rareté ou pour l'opulence.

Guerre, paix, guerre économique, économie de la guerre, économie de la paix
War, Peace, economic war, war economics, peace economics

The link between economy and war is complex, both being, in turn, ends and means. Thus, a war is prepared for and requires financing intended to ensure the security of the country (*Si vis pacem, para bellum*). The economy is itself a weapon, intended to impoverish or destabilize the enemy country (sanctions, blockade, destruction). In this situation, it is not directly a question of trying to conquer markets, but rather of engaging in a negative-sum game, at the highest possible price for the enemy, hoping for a return on investment with a defensive or offensive victory. In this context, economic optimization gives way to the relative power of states. Two conceptions coexist concerning the relationship between the economy and war. The first considers that the costs of national defense constitute a burden for the national economy, while in another conception, war and economy are often considered as historically linked products. However, until very recently, the possession of wealth (through predation) and power were the two main stated reasons for wars. War is analyzed either as an expression of the struggle of national entities in the face of economic scarcity, but also in their hegemonic will, or as a burden to be overcome.

War is the culmination of the political struggle for hegemonic power, against scarcity or for opulence.

Not every war is to be condemned, especially when its aim is the defense of human rights or the rejection of imperialism. The American Civil War allowed the rise of the industrial and financial power of the strongly protectionist North-East against the agricultural producer South, which favored free trade. This resulted in rapid industrial development. On the other hand, the 1914-1918 war considerably weakened the national economies and demographics of European countries. At the end of the last century, the launch by the United States of the "Star Wars" program sounded the death knell for the Soviet experiment. This time, the economy dictated its law.

From the beginning of time, war was conceived as a normal way to acquire wealth. Predation was a practical way to get rich. The defeated people are led to slavery, which constitutes an essential instrument of production in the Greek economy. War is always a moment of overcoming a country either to preserve its freedoms and protect its wealth, or to seize the goods of others in order to improve

both the national economic conditions and to increase the relative power of the state. In these extreme conditions, there is a strong incentive for technological, scientific, organizational, human and managerial innovations. As Rabelais said, the sinews of war are "pecuni". States must have regular revenues to support military needs, and in doing so, they must also ensure that the national economy is able to provide the means for national security and regalian issues.

For the German historical school, war is adorned with a thousand virtues, including the development of productive forces. For Sombart, war presupposes colossal national efforts, which leads to a strong incentive to the spirit of competition, to the learning of social discipline by modern armies, to industrialization and industrial concentration, to the constitution of large markets, with the centralization of orders and mass consumption, to technological innovation, to the standardization necessary for economies of scale, to the rational organization of work, and even to the growth of the financial sector, through the management of the military debt of the state. War is a necessary evil for the economic development of capitalism. The European industrial revolution and the capitalist system were concretely the products of war. The military needs of armed conflict created the preconditions for the development of capitalism. The state has promoted the development of capitalism.

The imperialist state set out to develop its markets in the still weakly developed countries, sometimes with the help of violent means. The entrepreneurial spirit is expressed in military expeditions, which allow the development of civilization. The victorious country can then exploit raw materials and cheap means of subsistence, sometimes at the expense of the economic progress of the colonized countries. War serves to develop the economy of the victors at the expense of the vanquished. Under these conditions, the army is a productive force that energizes national capitalism.

Moreover, historically, military technology, financed by the state, has always been a vector of development. Many scientific discoveries have been financed by modern armies, which are great consumers of new technologies developed by the industrial system. In this context, the economic interests of industrialists and the military complement each other, and industry has learned a great deal in times of war. With the Manhattan Project, the great military projects received the organized help of modern science and technology, to the point of greatly influencing the civilian sector. With the establishment of military secrecy on high technologies, science, technology and economy became hostages of political power. Influenced by the dominant economic and social forces, technology is not apolitical.

For the mercantilists, the power of the Prince is the fundamental objective of the whole national society, and thus of the economy. The State is then an organization of power devoted to reinforcing the prosperity of the national economy. It is a question of weakening the opposing forces, by all means, in particular the violence of weapons, colonization or enslavement. Power does not

exist without a strong economy and a dominating army. For Veblen, nationalism and economic warfare are essential to the development of the capitalist system. The thesis of unequal exchange or the theory of underdevelopment as a product of the development of great powers perpetuates this type of economic analysis in terms of power.

In 2005, Washington wants to maintain its world leadership, through international organizations (in charge of transforming the law of the strongest into international law) and through the ill-considered application of the ideology of globalization. The dollar owes its value to the military hegemony of the United States, but also to the importance of multinational firms of American origin. Even if the US government defends, in its discourse, an impartial and apolitical free trade, its military interventions in the world will undoubtedly weaken its "soft power" and possibly its military "hard power", even if the development of the digital economy gives it considerable potential power in terms of information, It also has the capacity to develop cyber programs intended for military-civilian operations against a "rogue state" or for a policy of dissuasion against countries that voluntarily or involuntarily oppose the political and economic priorities of the United States.

In an anticipated context of capitalist globalization, Marx considered that war belonged to the field of superstructures and that it was conditioned by the antagonistic social relations of capitalism. War and capitalism go hand in hand, only the revolutionary class struggle leads to peace. For Lenin, the military effort is a powerful instrument for the development of capitalist economies, through the development of primitive accumulation, colonial domination and the search for hegemony of the economically and militarily most advanced countries within the framework of the law of evolution of economic systems. Imperialism, the supreme stage of capitalism, leads to the capitalist exploitation of the world and to recurrent regional or world wars, within the framework of the sharing of foreign markets. The export of capital becomes necessary in order to fight against the laws of the tendency of profit rates to fall and equalize, a chronic and deadly disease of capitalism. If Marxist thought is above all marked by the concept of class struggle (which refers rather to a civil war), the concept of imperialism explains that, at a certain stage of its development, capitalism is also a producer of conflicts between bourgeois states.

For Baran and Sweezy, capitalism secretes a surplus, defined as the gap between production and solvent demand. This surplus can be absorbed mainly by military spending at the expense of civilian government spending or the consumption of capitalists, whose importance cannot grow at the same rate as their profits and income. Moreover, military expenditure stimulates collective values, which ensure the continuity of capitalism. Military power allows the exploitation of other nations, either through occupation of territory, intimidation, or the establishment of international laws that facilitate capitalist exploitation. Conflicts are immanent to capitalism, only their expressions evolve.

Without taking into account the Marxist analysis, J.K. Galbraith considers that the threat of war constitutes an indispensable element of control of social disagreements and anti-social tendencies. It is an instrument of stability and control of national economies, through the subordination of citizens to the state. In American capitalism, there are no valid substitutes for the military functions of conflict. For Jacques Attali, war is the extreme manifestation of industrial competition. Conflict leads to the revival of production, it transforms consumption patterns and social habits. The phase of non-battle favors the rise of military expenditures and the development of automated networks of self-surveillance. The extended war phase allows the redistribution of power control in favor of the dominant industrial countries. Capitalism implies the emergence of a brutal phase which, if it does not lead to military war, leads to the development of symbolic alienation. Today, the latter could be found in the modern ideology of globalization.

War is an irrational economic burden

Today, armed conflicts are particularly destructive and therefore very costly. Even the preparation for war can be destructive, as the failure of the Soviet Union bears witness. The potential attacker must know that he will suffer losses (economic sanctions and destruction of men and equipment) and experience a reduction in his gains (resistance, industrial sabotage, terrorism). Because of the extreme seriousness of the use of nuclear weapons, states use economic weapons more frequently.

For the Physiocrats and the great Classics, in order to ensure the sovereignty of States, it is necessary to build up military forces, in order to dissuade the predatory desires of other States, in a world of relative scarcity. For Ricardo, the unreasonable increase in military expenditure leads inevitably to war, because it produces a process of impoverishment which becomes a fundamental source of conflict. Malthus adds that economic development often proves insufficient in relation to the natural growth of the population. In this context, war becomes a privileged means of combating overpopulation, when famine or birth control have not done their job.

For Walras (1979), national defense is rejected from the field of study of economic science. However, if all countries adopted free trade, standing armies would be abolished and international disputes would be settled by arbitration. As a general rule, liberal economists consider that war has no future in a developed society (Nef, 1949). Military expenditure, with its weak and debatable knock-on effects, is unbearably expensive. Moreover, Pareto (1887/1901) is opposed to state intervention in economic life, and considers that wars are illegitimate in developed societies and that they lead to the decadence of civilizations. Deterrence is to be preferred, but the increase in military budgets increases the probability of war (Richardson, 1960). Arms race models highlight the three

essential factors in the emergence of wars, namely the evolution of military spending by potential adversaries, grievances, and the economic "fatigability" resulting from the enormous costs of military spending. The economy plays a rather moderating role, but if grievances are strong, war can intervene, causing human and economic disaster.

Keynes (1934), a convinced pacifist, wanted to eradicate both war and communism. While rearmament may lead to a temporary revival of the economy, in the long run it does not meet social needs and it slows down the national potential for economic development. It is preferable to direct public investment towards construction or public works, which are socially useful. However, security is also a matter for the economy, because the economic crisis sometimes leads to the overthrow of democracies and to the application of power politics. The economic crisis in post-World War I Germany is a threat to the economic development of Europe and to democracy. Sustainable peace is inconceivable without international economic solidarity of the democracies. Scientific knowledge of the economy is a factor of peace, in the face of totalitarian temptation and the personal and random games of politicians. Peace is also a condition for economic development. If a national system engages in an arms race, it must be opposed by economic warfare, which in the long run limits the military danger itself.

Economic warfare, the indirect weapon with perverse effects

To save a country is better than to destroy it. Subduing the enemy without fighting is the best (Sun Zi, Art.14). Today, economic warfare is more insidious, it concerns international rules considered "liberating" in the long term, while ensuring, in the short term, deadly inequalities. Economic warfare has always existed, from sieges to embargoes, in situations of war (scorched earth policy or economic terrorism) or peace (boycotts or embargoes). The primacy of the economy in the new international relations is affirmed. There are two objectives to economic warfare: to coerce the enemy and to dominate partners. All economic strategies do not have as their objective the well-being of the national economy, nor its development, but rather the weakening or subjugation of another economy, as already presented by mercantilist thinking (Fontanel, et al. 2008). Sanctions to cause significant economic damage to a country to change its policy (apartheid, violation of minority rights, tyranny or war) are essential instruments of economic and political power (Lachaux, 1992). Economic factors become permanent weapons which, however, in order to regenerate themselves, cannot be constantly diverted from their essential functions. With the strategy of encirclement, it is possible to develop links of economic interdependence that can guarantee peace (Realpolitik). The new economic solidarities are the best instrument for deterring aggression. However, economic rationality is not always that of economic, political or ideological powers. Insecurity depends on the arms race, social

inequalities or inter-state dominations. The economy has become an instrument of power.

The collapse of the Soviet economy may not have been due to a single reason, but it was strongly affected by the uninterrupted effort to prepare for war in the face of the dominant economic force of the United States. The arms race comes at a cost, which the richer countries can more easily take into account by applying the strategy of impoverishment by imposing an economic "arm wrestle" through the arms race. The least developed countries are impoverished more rapidly, as they do not have enough "discretionary income". Under these conditions, the arms race leads to the weakening of the poorest state, with a view to destabilizing it socially, politically and economically, to the point of renouncing power.

Direct military strategies are made difficult to apply with the apocalyptic power of nuclear weapons. The great powers must therefore have oblique strategies of dissuasion, economic measures of retaliation, decisions on embargoes or boycotts, whose economic and political effects depend on self-defence measures, international solidarity and the potential for substitution. This may include controlling the sale of arms that could be turned against it, or developing strategies to control the export of dual products, half-civilian, half-military, in order to prevent the opposing army from increasing its economic potential. These strategies are very costly for the targeted country, but they are often also costly for the countries that engage in such action, especially when globalization has led all actors to a common dependence on essential products. It is undoubtedly possible to "punish" an oil-producing country internationally, but by refusing to buy its production, the result is an increase in the price of oil and a relative scarcity that will be passed on to all the national economies concerned by the action.

The strategy of domination leads dominant countries to influence the dominated countries in their strategic decisions. The economic weapon allows a country, or group of countries, to dominate another country thanks to the power conferred by the monopoly of the supply of goods and services vital for its survival. The strategy of political violence consists in taking the economic power of another country when it is hostile and in weakening its dominant social strata. It is then necessary to control the political forces of the state apparatus and the trade unions, by nationalization or privatization, by strikes or riots.

Today, all international economic relations must be interpreted from a strategic perspective, as the result of the complex interplay of international power relations. Contradictory hypotheses have been put forward. For neo-liberals, the end of nations is inscribed in the peaceful and rather benevolent logic of the market economy. For heterodox economists, the inevitable disintegration of national economies risks increasing insecurity and impoverishment. Capital flows or trade negotiations or international aid are powerful instruments of political pressure (or reaction). Protectionism, economic sanctions or the control of strategic products are at the service of a nation's political objectives, but sometimes, within the framework of the World Trade Organization for example, these states are obliged

to respect the rules of free trade, unless they withdraw from the organization. Baldwin (1985) considers that, in a situation of growing economic interdependence, the national interest must take into account the overlap of national interests. In this context, the distinction between war and the search for power is blurred. For Thurow (1992) the United States cannot afford to lose the economic war. It is therefore necessary to protect high-tech sectors, to support American companies that are victims of foreign subsidies, to help sectors with high added value and to act firmly in international forums to promote the development of the American economy. The struggle is obviously expressed against the "rogue states", but also against allied countries, when power is too well shared between members of a group of states with common interests. In the United States, supposed military imperatives are often put forward to hide a real industrial policy of state subsidies and research and development. Economic factors often dominate the agenda of strategic considerations. As each nation competes with others in global markets, national security depends first on economic strength. The provision of a war room to conduct economic warfare highlights the application of Sun Zi's Principle 102, according to which "no spy is too beloved and no reward is too great for them."

For Labarde and Maris (1998), globalization is universal, civil and permanent war. It is an oligopolistic and cartelized organization of the world, in the respect of financial logic, which defines a new organization of the work of the capitalist enterprise and the freedom of installation of the owners of capital. Capital has always been international, stateless, more financial than industrial, more speculator than producer of wealth. Globalization can only be affirmed by reducing social protection and solidarity. Multinational firms are the great beneficiaries of this globalization. It is a daily and generalized civil war. The economic war is a social and societal suicide.

The opening of borders is not a necessary step towards peace. Yet today's military authorities combine an insatiable demand for new weapons with an increased aversion to their use. The nationality of a company loses its meaning, as currency, technology, and factories cross borders with fewer and fewer restrictions. Transnational firms and markets, now the main actors in the international economy, favor the mobility of capital and the relocation procedures and the development of new technologies, which are important factors of income. However, alongside islands of prosperity, the world economy is in crisis and the gap is widening. Globalization, dominated by the richest countries, based on inequalities, does not lead to peace, but to a war (without or with weapons) for the distribution of wealth.

Armed war remains an instrument of conflict management between States, but it is very costly, it is no longer socially "recognized" as a mode of crisis management and, above all, with nuclear weapons, it can trigger an apocalyptic situation. The multiplication of the number of states, the absence of a

supranational order and the inability to enforce the law everywhere, open up a bright future for war

For Jaurès, capitalism was already war. War" has changed in nature, it is not the main concern of today's societies, but it is a recurrent threat. But with the rise of autocracies, plutocracy and imperialist ideologies, it remains a course of action that the most authoritarian regimes will be able to impose on their external opponents and on their own people.

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