

War: Economic Friend or Foe?

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How preposterous, war, an economic friend? Get real! War is death and destruction, a killing machine. It destroys infrastructure, lays societies in ruin and has killed human beings in all manner of obscene ways. Nobody likes war. Well, maybe not totally true, as the world is full of unique personalities. But of course most everyone would prefer there to be no war. War is bad, very bad, right?

War has captured the Armchair's attention for a few weeks now. It all started when thinking about the origin of economy. Where did economy begin? How did it evolve and why?

Economy seems to have begun with trade. Prior to trade, man was focused solely on tribal sustainability. Once tribes crossed paths, they began to exchange things. Tribes quickly learned what they had that others wanted (demand), and the smart ones naturally started producing more (supply) to meet that demand. Increased production meant an increased need for raw materials (natural resources) and labor (human resources). With trade, the economic era began.

Through trade, it likely became obvious which tribes had the best resources. And with man's innate insecurity, this inspired jealousy and greed. Trade didn't just provide people with greater access to things they didn't have, it also increased their desire to get more of what others had. Keeping up with the Joneses started a long, long time ago.

And it's probably fair to assume that with trade developed the Golden Rule... *he who has the gold makes the rules*. In those early days, it was he who had the most economically valuable resources that likely made the rules. But rule makers are not always benevolent, and as history has taught us, power corrupts and absolute power corrupts absolutely.

So as population grew and tribes crossed paths, jealousy, greed and injustice eventually led to war. There were those that wanted things they didn't have, or more of what others had, or just more so they could control the Golden Rule. And then there were those who rebelled against irresponsible, inequitable and/or intolerant rulers. Two types of war developed that have lasted through all of history: one focused on obtaining more resources to propel a culture's economy and power; and the other focused on winning liberty from those with the resources who were not sharing enough of them.

Think about war. Think about what it takes to engage in war.

We've all seen some movie depicting a Roman battlefield. Today's film technology has made it easy to replicate battles where thousands of warriors fight hand to hand. Those warriors had to first be transported many miles, sometimes hundreds of miles to the battlefield. They needed weapons, and any weapons destroyed in combat had to be replaced. Warriors had to be outfitted, fed and sheltered. The wounded needed care. And some form of energy had to be used for all the production and transportation of goods to support a battle, even more so for a campaign of conquest. It must have taken legions of workers, well-coordinated and managed production and transportation systems, and substantial natural resources to execute war effectively.

Making thousands of arrows, knives, swords, spears, shields, armor, saddles, bridles, cannons, muskets, ships, sails and more and more and more was not a simple task. Making a few of those things is for craftsmen. Making thousands of them is for production-oriented systems, and transporting all that stuff requires reasonably sophisticated logistics

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From a purely technical standpoint, war seems to share many similarities with a competitive market economy. What's the difference between battlefield strategy and market strategy? Are not both focused on winning? How important are logistics in war? How important are they in today's global marketplace? How about access to resources? Can you outfit and command a successful military campaign without ample resources? How important are resources to companies and countries in today's competitive market?

Access to ample resources is mandatory to being competitive in both war and today's global marketplace. Today we purchase natural resources and rent human resources. At many times in history we went to war to outright own them. The tribe, the society, the country, the company with access to ample resources that can most productively use them is going to win the battle – military or economic.

Market economy theory suggests it takes competition to inspire growth, innovation and prosperity. Might war have been the competitive market before the one we know today? Was the competition in war much different [from that of](#) today's global marketplace?

It would seem there have been few societal motivators more powerful at driving economy than imperialism, the military led quest for greater economic and political power. Imperialism was not just economically stimulating, but may have even been necessary for economic growth.

The pursuits of imperialism employed a great number of workers. How many other "industries" during the Age of Imperialism employed as many? And what better "work environment" was there to teach "workers" order, discipline, organization, systems, process and teamwork than the military?

The pursuit of conquest put more and more resources into the hands of the imperialists, the most experienced of resource managers. And imperialist pursuits expended resources, which were replenished by conquest, which fueled the next attempt at conquest.

The competitive imperialist field seeking greater political and economic power also inspired productivity and innovation growth. There is no winning, and certainly no staying at the top of the food chain, without always increasing productivity and innovation. Those with the best weaponry managed by the best systems likely gained control over more and more resources.

So long as imperialist efforts grew, it would seem so too did economy. Although most of the direct prosperity went to the military and political elite, those people must have increased their domestic consumption and brought home the productivity and innovation learned from the battlegrounds. This should have raised the general economic tide.

How strange it is that we may be able to attribute a great deal of our economic, and thus social progress to war. Can there be a more confusing socioeconomic relationship? War inspires, yet war destroys. But where would we be without the empire building Assyrians, Greeks, Romans, Western Europeans and today's current king of the hill? How did these societies become king of the hill? Was it through giving...or was it through taking?

And what of our most recent history?

Well, a little research has shown that just within the last 100 or so years, we owe a great deal of innovation and progress to war.

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Henry Ford did not invent mass production. It actually began in the gun factories of late 19th century New England. The Wright Brothers invented an interesting curiosity, but World War I transformed it into a practical, useful and very valuable military and economic tool. Nuclear energy came from the effort to develop an atomic bomb. The need to interpret encrypted messages from our enemies led to the development of computers. An attempt to protect our national defense communication system became the Internet. Rockets, satellites and space travel, you got it. All of these were either created or significantly advanced because of man's warring nature.

We have been taught that World War II pulled the U.S. out of the Great Depression. It juiced the American economy. We should also know that following World War II the reconstruction of Europe and Japan were economically beneficial. War's destruction eventually requires rebuilding – an economic stimulus. Employment and demand for resources grow during reconstruction, trickling down to a naturally rising economic tide.

Every forest fire creates fertile ground for the next forest. Is war man's socioeconomic forest fire?

Where would civilization be today without war? How much longer would it have taken to go from the Stone Age to the Iron Age to the Bronze Age to the Industrial Revolution without the need to produce hoards of stuff, support hoards of soldiers and pursue the growth of empire?

Goodness gracious me oh my! How can we speak favorably of such an aberration of human behavior? How strange that one of man's worst inclinations could also be the source of so much progress. One has to wonder: If we were able to totally do away with war, what would become of economy and progress? Or maybe rather, what would not become?

Kind of makes you think, what really is this economy thing anyway? There is no economy without trade. Yet it is trade that inspires greed, jealousy and injustice, which inspires war. And for most all of human history the competitive battlefield of war has inspired innovation and productivity that eventually returns to benefit society. Oh, what a tangled web we weave!



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