

## WAR ECONOMICS AS POSITIVE SCIENCE: FROM TRADITIONAL TO MODERN POLITICAL ECONOMY

A. T. M. ABDULLAHEL SHAFI

Former Assistant Professor, Peace and Conflict Studies, University of Dhaka, Dhaka, Bangladesh

### ABSTRACT

War economics has been considered as social science that analyzes the economy in terms of war, violence and destruction and its relationships with the economy which is determined by the production, distribution, and consumption of goods and services, i.e. Economic growth. But the definition is not as simple as it incorporates issues like production, distribution and consumptions or national growth. Rather it encompasses other phenomena like national economic growth and its long term consequences. The aim of this paper is not to assess the reasons and consequences of war, rather this paper would briefly examine the war economics as positive science or not with specific examples from traditional economy to modern political economy.

**KEYWORDS:** War Economics, Positive Science, Political Economy, Traditional War Economics

### INTRODUCTION

War economics is simply described as the contingencies undertaken by the modern state to mobilize its economy for war and military production. Sometimes it's regarded as a system of producing, mobilizing and allocating resources to sustain the violence. Actually the relationship between war and economic development is always controversial.

War Economics (Le Billon, 2005; Joshua S, 2004) and Permanent war economics (Oakes, 1944; Vance, 1951) are two terms frequently used in war economics. While war economics denotes the states to mobilize economy for war production, whereas permanent war economics is used to describe prolonged arms race which would retain the character of war economy in the disguise of semi-command economy to be directed by corporate executives, based on military industry, and funded by government.

Actually war economics has got several dimensions. It depends on several strategies like intrastate wars, interstate wars (Civil wars) and even those protagonists who are creating wars to be benefitted (American war in Afghanistan and Iraq). Based on all these dimensions, war economics has taken several different shapes which would be interpreted to some specific directions like in case of interstate wars, political economy of the states engaged in wars slows down as regular economic activities suffer under the conditions of insecurity. Whereas in case of interstate wars, state capacities focus on the organizations and the fuelling of the military machine, and the civilian functions of the states are neglected respectively. Furthermore, the third case is pretty complex to explain. Because still economists and the protagonists of the economy are not at all aware of the consequences of the economy both in positive and normative terms.

Economists still are inconsiderate of the results and consequences of war economy, but still many economists believe that war economies create losers as well as winners (schlichte: 2003, p-32). Even these winners are always prone to continue the war which is obviously benefitted to them. This third case is termed as "Warlordism" (Schetteret.al. 2007:137)

Concerning the side of aggregate demand, it is linked to "military Keynesianism"(1919,2004a), in which the government's military budget is seriously concerned with the business cycles and fluctuations and/or is used to fight recessions. On the supply side, it is assumed that wars sometimes have the effect of accelerating progress of technology to such an extent that an economy is greatly strengthened after the war, especially if it has avoided the war-related destruction. Not only that, sometimes countries outside the war arena might be benefitted through investments and could accelerate progress by international business and through monetary and other several types of transactions.

On the traditional dimension, war economics is considered as essentially distinctive. The transformation in life and essentially the purpose of war economy involves evaluation of socio-economic and political factors like society, administration, politics and technical aspects. It is not concerned with individual needs and wants; rather it encompasses several other factors like state politics, economic advantages and disadvantages and reduces the importance of the Economic "as we know it".

This paper would not examine the advantages and disadvantages of war economics or any consequences of war economics. Rather it actually would assess war economics as positive science based on the Friedman (1953) doctrine. Based on Friedman's doctrine, this paper would examine war economics and its further rush into political economy and the traditional war economic theory which is related to our current discussions.

## **POSITIVE SCIENCE**

In the context of French social thought, the words positive science were first uttered, it seems, by Madame de Staël (1766–1817), the eccentric thinker, writer, socialite, and associate of Romantic and scientific utopians of the late eighteenth and early nineteenth century (Gordon 1991, p. 271)

The term positive science was coined by Comte (1865) for his own conception of science as it should be done (a conception of science which he credited to Bacon and Galileo). A major element of this conception was that science should not go beyond what was evident from the observations and experiments of the scientist. Here we consider a similar objective, not as a prescriptive scientific method but as an exercise in philosophical reverse engineering.

Milton Friedman's (1953: 40) definition of positive science is based on scientific explanation of methodologies of economics. As Friedman observes, "Economics as a positive science is a body of tentatively accepted generalizations about economic phenomena that can be used to predict the consequences of changes in circumstances".

Actually Friedman's definition of positive science is pretty much same to Comte and Staël. Positive science could be explained as a science with "value free judgements" which is by nature pretty much similar to the systems used in natural sciences too. It helps predicting future economic phenomena through generalizations, validity and accuracy to breed special knowledge of it. Scientific theories present aspects of reality evaluated in term of their scope of applicability, accuracy and reliability.

In positive science the scientist is always searching for the truth through experiments and his result is interpreted on the basis of his own experiments. His theories should not go beyond the experiments experimented.

Friedman's analysis (1953: 7) of the ultimate goal of a positive science is still positively implacable to the explanations of modern phenomena of economics which explicitly or implicitly endorses the development of a "theory" or, "hypothesis". By thus positive science predicts future phenomena not yet observed to yield valid and meaningful reasoning based on systematic and organized methods.

It enumerates a body of substantive hypotheses which is designed to abstract essential features of complex reality.

Based on hypotheses and generalizations, accuracy through experiments and validity, a theory of economics is logically constructed. Yet it needs cross effects between two different categories to substantiate empirical results.

## TRADITIONAL CONTEXTS OF WAR ECONOMICS

Based on Friedman's definition of positive science war economics could be constructed as positive science since the issue is examined by the intersection between the economic dimensions of conflict and more "traditional" factors, including ideology, identity and geopolitical security, as well as exploration of the prospects for developing policy approaches to address the political economy of violent conflict.

The importance of "greed" relative to "need" and "creed," (Zartman, 2010: 2) is that of political, economic, and/or social exclusion, and ethnic and communal identity, to the roots of conflict. Though Zartman's greed, need and creed are to a considerable and growing extent true, which results to "economics matters to conflicts". Despite the fact there is a considerable amount of disagreements in the manner and extents to which it is true. The former positive science hypothesis of Friedman ensures this fact about scientific judgments whether it's properly and thoroughly tested with significant evidences and by thus it's a proved fact. The experimented facts are not always proved by past researchers with significant amounts of data and investigations and by thus researchers of economics are still doubtful of the facts of traditional war economics approach.

An influential, if controversial, study by the World Bank, under the research direction of Paul Collier, has determined that "greed" rather than social or political "grievance" has been the primary cause of civil war (Ibid, P-2).

Still there is a considerable amount of agreements in this view expressed by Collier (2010:2). As this view essentially expressed that today's war are wars about resources. Even this view has not gone unchallenged. Even there are scholarships among political theorists who viewed political factors as root causes of the outbreak of conflicts and war and its perpetuations. Now as a positivist, the question of economic causes of war and other relative factors like political, cultural and strategic factors would rise among the researchers of war economics. Even the question of the role of state, land, natural resources, power seeking behavior of the politicians and psychology of the peoples engaged in armed struggle and conflicts would be taken into serious attentions. Though there are certain study which reveals the correlations between abundant natural resources and war and still less is known about this correlation. The central aim of positive economics is to sustain this truth through scientific experiments and through generalizations of facts based on hypotheses which are properly tested and showed significant amounts of correlations between the variables under considerations.

The next is the historical evidences of emerging conflicts and war where the variables like primary commodity exports and relative low level of transactions of lootable resources where the interest of engaging parties are involved showed sometimes a degree of war and conflicts. The best evidence of such types of conflicts is among the former colonies where state is internally not only defragmented but also the tribal, ethnic, local and religious groups have been at the forefront of references for shared identities into conflicts and war.

Even another dimension of war economics is the crimes committed by the engaging parties in conflicts. In case of intrastate war, this situation thrives several dimensions like crimes in leading and distributing resources as well as state formations. Not only that, it could sometimes dictate the engaging parties to such violence which could ensure state decay. Even this same view is also expressed by Kaldor (1999). But still there is disagreements on the view expressed by KALDOR. In case of interstate wars, the scenario is simply different from the previous scenario of intrastate war. In case of interstate wars, the variables are more importantly among others economies of the states, politics and administrative systems as well as cultural factors are more explicitly or implicitly ranked impressive. But the war-inflicted plights of the societies are

always into the unrestricted economic constraints of consumptions, productions and distributions and vis-à-vis. Though this view is not supported by all. Still there are also other views of interstate wars where the economy could be thrashed down and the decay of economic markets would also be another possibility.

Still there are traditional views in economy which states war economics is beneficial for the economy. This view is expressed by Paul Poast (2006) in his recent book "Economics of War". The layman view is expressed once again as war breaks out; there must be production of weapons, raising out larger army, navy and air forces, by thus creating more employments. This is true, on the other hands, there are certain pitfalls of this view. Because of war, the economy would face inflation in the local markets which have some negative effects on the production and consumptions of the consumers. The direct economic effect of war is it is expansive and it assumes less consumptions and investors started investing on war related business. The negative effects on economy are not long term. But this view on economic explanation has certain loopholes, as this research is based on outside the war and the economy outside war got fewer problems and can easily recover after a certain period of times. But the society where the war broke out has certainly got negative effects on the economy.

## **MARXISTS CONTEXTS OF WAR ECONOMICS AND THE METHODOLOGICAL PITFALLS OF CAPITALISM**

The rhetorical peaceful logic of war economics is contradicted by the violence-prone historical evidences of capitalism: unheroic though bourgeoisie society is, it nevertheless needed heroism, sacrifice, terror, civil war and national wars to bring it into being (Marx, 1852:116).

The same view as Marx is expressed by Kidron (1967:1) and known as the theory of the permanent arms economy. Kidron recognized the fact that during war or in permanent arms economy, a large portion of the total surplus-value is extracted from workers to spend into the war or in permanent arms economy which is the basic problem Marx has identified as the root of capitalists' crises. It's something like the tendency of over accumulating capital to bring down the rate of profit. This theory also argued that permanent arms economy shows only a temporary stabilization of the economy which in long terms creates instability, violence and creates worst of civilization.

Even Marxist explanation of the theory is in perfect perspective of World War II. The sustained economic growth after World War II in the developing nations and anticipated stagnation after World War I did not occur. But after World War II, the same capitalist's crises started with the oil crisis in 1973 with a new period of deepening stagnations which is typical with the development of capitalism.

The theory of Marxism is just well compatible with the theories of war economics as it entails quasi-economy and the institutional patterns. The so-called competition of markets and production of imperialist's hegemony are causing difficulties like war in humanhood with would be washed away through revolution of the proletariat classes. But the basis loop holes of this system is Marxism also discusses with revolution (war or war like phenomena through which bourgeoisie would be replaced) which has got the loopholes also like imperialism. Even Marxism did not reply to this question, if such revolution happened, the proletariat would take over the bourgeoisie, but what are the consequences of such revolution in the economy?

But the most pleasant aspect of such explanation from Marxist perspectives is that it fits with the present war economy of USA. Marxist war economics commences with the difference between the period after the First World War and the period after the Second World War. Table-1 shows the expenditure of USA during war times. During the World

World War I, the total direct cost of war economy was 26 billion dollars which is just 20% of the total GDP. But during World War II, The direct cost of the war was 288 Billion dollars which is 31%, of the total GDP of USA. But afterwards, during Korea, Vietnam and Persian Gulf War, the cost has been minimized to only 1% of the total GDP.

After World War I, the economy spent more on arms and weapons due to the advent of war technology and weapons technology and cold war which is supposed to be based on the theory of permanent arms economy which had been stable up to the 1990s during the demise of the former Soviet Union. The economy currently facing an economic recession could also be explained with this Marxist explanation of war economy too. The very high cost of attacking Iraq and Afghanistan is one of the causes to have high economic recession in the USA economy. This view is also supported by later economists Professor Joseph Stiglitz (Columbia University,) and Professor Linda Bilmes (Harvard University) corroborate the latter figure of Nordhaus and John Kenneth Galbraith. Interestingly, the recently published report entitled “The Economic Costs of the Iraq War: An Appraisal three Years after the Beginning of the Conflict,” by these professors corroborate with the same views. Even Galbraith’s final book “The Economics of Innocent Fraud” the views showed is just unimaginable where he showed that nearly half of the total US governmental discretionary expenditure was spent for “Defense”(Toronto Star, 17.10.2004).

**Table 1: Cost of Major Wars to the United States**

War	Duration	Total Direct Cost	GDP in Final War Year	Total GDP During War Period	Cost as % GDP in Final War Year	Cost Average of GDP Per Year
		In Billions of Current Year Dollars	In Billions of Current Year Dollars	In Billions of Current Year Dollars		Total Cost/Total GDP during War Period
World War I	2 years	26	71.3	128	36%	20%
World War II	4 years	288	218	923	132%	31%
Korea	3 years	54	380	1375	14%	4%
Vietnam	10 years	111	1383	9677	8%	1%
Persioan Gulf	8years	61	5917	5917	1%	1%
Iraq	3years +	10/mo 120/year	N/A	N/A	N/A	N/A

**Source through Persian Gulf:** Paul Coast, Economics of War, McGraw-Hill-Irwin, 2006

**Source for Iraq Costs:** Jonathan Weissman, Wasington Post, April 2000

**Courtesy:** Ghista, Garda (2006:2)

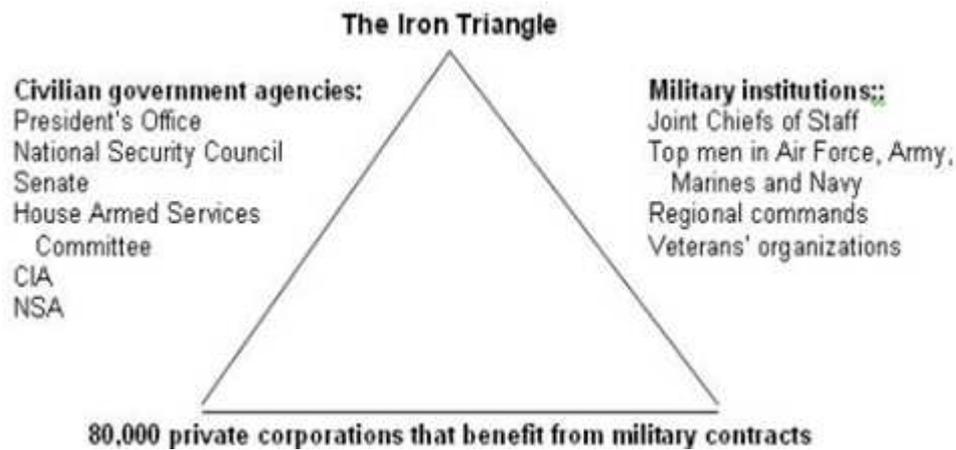
## MILITARY KEYNESIANISM

Economist John Maynard Keynes (1936) expressed the view that the 1930s depression was caused by the inability for private demand which is composed of consumption and investments which would help to purchase a healthy economy’s production at a reasonable price. By thus the essential for government in such situations is to provide the needed demand which would be financed through deficit spending. Such manipulation of interest rates or supply of money would make the economy more stable.

According to this theory of Keynes, Government spending would be on social investments as subsidized education and housing or into several public projects like bridges, highways and dams. Even after World War II, the same theory had been applied to the military spending of USA which made the economy flamboyant for the next 50 years. Even the same theory was applied by the Europeans too. Such theory is termed as “Military Keynesianism”.

The US economy, more specifically, was guided by MILEX (Military Expenditures). Actually the MILEX triangle showed the basis of US economy which is guided by Military Keynesianism. The combination of milex and the later on

Cold War before the demise of Soviet Union caused the US economy to thrive for the next 50 years. The figure-1 describes the dynamics of military Keynesianism with its three different threads. The milex triangle first introduced by James M. Cypher (2002) necessarily describes three different variables like the first one is civilian. It describes the role of civilian Corporations which are engaged in the military industries. In USA as many as 85000-90000 corporations are directly benefitted from the military contracts and afterwards their direct political influences in Washington D.C. They further contribute to the senate directly or indirectly through lobbyists and through their political representatives. These corporations directly pressurize the government to have military expenditures (Government budget) in the name of their workers security.



Source: Ghista, Garda (2006:2)

Figure 1: MILEX Triangle

The next variable to the Iron Triangle comprises the civilian governmental agencies that are comprised of US military policy including the President’s office, the National Security Council, the senate, the House Armed Services Committees, the CIA and NSA.

The third component to the Iron Triangle is the military institutions. This is comprised of the Joint Chiefs of Staff, the top men in the Air Force, Army, Marines and Navy, the powerful regional commands (CINCs) and also the veterans’ organizations. From figure-1, it’s pretty clear to understand that these three sides, the civilian organization, the civil government bodies and the military have had the most power conglomeration in Washington D.C. The nexus between the weapons industry, Military contractors, the military bureaucracy, the Pentagon and the Politicians/American Congress, they have become super-powerful in the world.

If we analyze the pattern of American military expenditures with the economic “add-ons”, the scenario of military Keynesianism would be clearer. There is always a military budget in the US fiscal and monetary economy, and the most interesting feature of this economy is the “add-ons” like foreign military sales, military space programs, veteran benefits, military retirements, foreign military aids and interest in national debts from past deficits related to military spending. If we take into account these add-ons, we could easily see the real features of military economy of USA.

In USA, the total interest payments annually are US Dollar 200 plus and the share of the department of energy’s expenditures on milex including nuclear development and military nukes comes to minimum US dollar 4 annually (Garda, 2006:1). In 2002, the federal budget listed Us Dollar 460 Billion as social security expenditures. This social security benefits are not added into the public spending and this helps American war economy sustainable. This view is also supported by Dowd (2006:2).Actually the reason behind it is to camouflage the real debt to reduce the need to issue bonds.

If this social security surplus is finished or emptied then the government has to issue bonds to pay benefits. The most important effects in the economy would be to raise general income taxation. Therefore the increased taxation will be added and deducted from the citizen's paychecks along with social security deductions.

The next direct effect on MILEX in the war economy of USA is the hidden MILEX expenditures, such as foreign aid, the CIA, Space research. The CIA budget is annually US Dollar 40 billion annually. But they receive US dollar 5.6 billion to keep the documents secret (Ed Vulliamy, 2000). This helps American war economy more live by having the economic downturns underground by reaching the "add-ons" of the USA war economy.

## **POSITIVE ECONOMICS AND THE METHODOLOGY OF ASSESSING WAR ECONOMY**

The concepts of positive science as utilized here is radically different from the other sciences applied into reality. In economics and even in war economics, human behavior is used to discuss rational choice and in turn individual behave rationally to select the choices from a groups of alternatives. As a whole, it's not different from all other sciences as economics and even war economics has been developed from political economy though the rational choice of individuals as well as the political and social apparatus like state, political institutions, administration and culture and even the economic institutions through which economy is run. If we consider economics and war economy as a matter of sciences and social sciences, we could differentiate the issues of war economics as positive science into four different categories:

- Economic analysis of war economy. This is the traditional analysis of war economy. Actually we have analyzed the third parts of this paper under this criterion of positive science.
- The non-economic or sociological, political or psychological analysis of war economics and we have already established this parts of war economic analysis into the Marxist concepts which really adds the essence of socio-psychological and even politico-social analysis of capitals and profits as well as the similar types of analysis of positive science.
- The economic analysis of non-economic factors like social, political and cultural factors as well as law. This essentially includes the pattern of intrastate war or civil war or interstate war where thousands of dynamics are involved and even factors involved into it carries long term or short terms consequences which are socially, politically and culturally economic in nature.
- The non-economic analysis of non-economic factors. This is the interesting phase of positive economics which includes certain fields outside the traditional economics and includes certain factors which are related to sociology, politics and psychology, law or other sciences.

The analysis of positive science essentially is understood in terms of science or scientific methodologies and war economy or in general economics is not always based on the scientific process only, but non-scientific (scientific in nature and not necessarily exactly scientific) methods are also involved to explain the economic scenarios and issue of war economics.

The possibility of using such techniques involved the consumer behavior and supply-demand scenario of different consumerism. Not only that sometimes, economics recession could get into the shape which would be explained through the non-scientific aspects of scientific analysis which is not fully scientific, but scientific in nature. Particularly, the situations and behavior of mobs during war is not exactly determined by the scientific explanations and even the consumer behavior during the war times. Because this involved the psychology of the war affected mobs and mentality and economic

downturns which is not at all measurable to the degree of traditional economic theories. This view is also supported by Elias (1994:335).

Even the war economics pattern in European states and the colonized states still differs with a certain degree based on the economic downturns of the war. As Tilly (1990:206 ) observed: “The contradictions of European state formations were manifested in the central paradox ...that the pursuit of war and military capacity ,after having created national states as sort of by-products ,led to a civilization of governments and domestic politics”.

The very interesting features of this war economics in terms of positive science lies with its sharp consistencies with the economic and non-economic factors which has grounds to include conflicts, fear of the common peoples economic and non-economic benefits to have the equilibrium of local, national and international market dynamics. This combination of dynamic showed the sharp realities of war economics to loose or to gain economy and the parties far away from war are always benefitted. This has always happened in case of USA and other European states. Actually this is scenario we have discussed with USA military expenditures (MILEX) and the economic downturns of 1930s to date and surely what we have termed as Military Keynesianism.

## CONCLUSIONS

Explaining whether war economics is a positive science or not from the traditional to modern political economy analysis we have analyzed MILEX showing the rational choice of the economy of USA with the strong presence of the triangle model of milex as well as we have analyzed the non-economic factors of war economics. In such models of analysis we have shown the individual as well as state level rational choice of war economics and other non –economic aspects. Economics and war economics in social sciences is always positive one with rational explanation. But even in political science and sociology, war economics contains a certain paths of analysis.

costofwar.com (as accessed today on 11<sup>th</sup> February, 2011, 21.31 PM) showed the Total Cost of Wars of USA Since 2001 is \$1,150,963,042,251. Now the question would be automatically arisen in the minds of man why USA is spending in war economy as there is a on-going recession in the US economy during the last few years. Actually under the aspects of positive science, we have tried to analyze it. Though this analysis does not still show the reasons and causes of USA economic recessions and its relationships with the war Economics and yet economists like Joseph Stieglitz and Linda Bilmes (2008), Phyllis Bennis and Erik Leaver (2005), and other non-economists like Suzanne Goldenberg (2006), Pascal Riche (2006), Jamie Wilson (2006), Bryan Bender(2006), Tom Regan(2006) showed the view that due to over spending at Iraq war, the economic recession in the US economy is rampant. This is a single aspect of analysis. But still we could not ignore the analysis of psychological, social, political and cultural factors which would cause economic recession and even cause Iraq invasion by USA, leave alone whatever the cost is for the war. Actually war economy as positive science includes economic factors as well non-economic factors which have consequences of both short and long terms. Even the pattern of analysis from the non-economists about the cost of war is pretty clear that Iraq war have had negative impacts on US economy. So this positive science of war economy lies on not only the economic analysis of the economists, but also on economic analysis of the non-economists and by thus this analysis have got strongest grounds of positive science. This is the fourth stream of our positive science analysis of war economics where we have analyzed that there might be analysis which is not truly scientific but scientific in natures with the secondary data sources and resources which has direct impacts on the analysis of economy and surely with war economics.

This pattern of analysis should have some social, political, psychological, and cultural and law ful obligations which in turn make economics or war economics as a “Unique Science”. Because in pure scientific analysis socio-political,

psychological and cultural factors are verily ignored and war economics as a social science comprises of all the streams with rational choice which makes this science unique from all other pure scientific research.

Even the similar types of backdrops in economics or war economics research might be found with “interdisciplinary” or “Transdisciplinary” research of similar kinds. Because it might cause great deals of difficulties in communicating each and every streams of social sciences. For these reasons, while examining war economics as positive science, we have carefully determined the level of discussions and degree of determinedness to ensure our clarity of the topic.

Even while analyzing war economics, we have carefully had the philosophical reasoning into our considerations to make the definitions of positive science into the framework of positivism. This has eventually created a better scope for understanding and examining the world war economics into the scenario of politics, economics, societies, cultures and communications. Even non-economic factors like critical reasoning and justifying of similar events has been incorporated into the analysis on a comparative basis to have better philosophical understanding. Furthermore this analysis has been under the auspicious of rational economic reasoning which has been implicated into the analysis of Marxist theorem of war economics and even in the analysis of Military Keynesianism. While analyzing the traditional war economics, we have considered non-economic analysis of non-economic factors into the cross-comparison of events with certain events analysis which is similar to Cross impact analysis which is more scientific.

With Unique Science, we have compared several economic and non-economic factors which are scientific in nature and have analyzed the networks and drivers which have enabled the process to generate the future scenarios. Like the Milex analysis has enabled the economists and non-economists to analyze the future economic scenario of American war economy over the next 50 years. By thus such analysis has made war economics as “Unique Science”. But the problem raised by economists and non-economists when USA and world economy faced economic recession. Yet there are groups of economists who showed that it is due to the cost of war, though yet it does not satisfy our demands of understanding. Despite the facts, war economy as a “Unique Science” is still satisfying our demands and needs of economic, political, social, cultural and psychological needs. Even the philosophical understanding of the analysis is causing greater deal of spaces for more scientific research in future. This is another uniqueness of war economics as a positive science to show future pathways of research in both social sciences and scientific fields.

## REFERENCES

1. Bennis, Phyllis and Leaver, Erik and the IPS Iraq Task Force, (2005): "The Iraq Quagmire: The Mounting Costs of War and the Case for Bringing Home the Troops." A Study by the Institute for Policy Studies and Foreign Policy in Focus, August 31, 2005.
2. Bender, Bryan (2006): "Economists say cost of war could top \$2 trillion. Tally exceeds White House projections," *Boston Globe*, January 8, 2006.
3. Comte, A.; Bridges, J.H. (tr.): A General View of Positivism; Trubner and Co., 1865 (reissued by Cambridge University Press, 2009; ISBN 978-1-108-00064-2).
4. Collier, Paul (2010): In his discussions on the Woodrow Wilson International Center for Scholars and the International Peace Academy co-sponsored a conference on “The Economics of War.” September 10, 2001, P-2.
5. Cypher, James M. (2002): “The Iron Triangle: The new military buildup,” *Dollars and Sense magazine*, January/February 2002.

6. Dowd, Doug (2006): "US Military Expenditures: Beneficial or Harmful? Or, Who Benefits and Who Pays?" State of Nature, winter, p. 2
7. Elias, N (1994): The civilizing process: The history of manners and state formations and civilizations, Oxford: Basil Blackwell, P-335.
8. Friedman, Milton (1953): "The Methodology of Positive Economics" In Essays in Positive Economics (Chicago: Univ. of Chicago Press, 1966), pp. 3-16.
9. Le Billon, Dr. Philippe (2005): Geopolitics of Resource Wars: Resource Dependence, Governance and Violence. London: Frank Cass, P-288
10. Gordon, Scott (1991): The History and Philosophy of Social Science, London, Routledge.
11. Ghista, Garda (2006): In her article-"Economics of War" in the PROUT World, Copenhagen, Denmark,
12. Goldstein, Joshua S. (2004): The Real price of War: How you pay for War on Terror, New York University Press, New York, USA.
13. Goldenberg, Suzanne (2006): "Bush pulls the plug on Iraq reconstruction. \$18bn funding to stop at end of year," *Guardian* (UK), January 3, 2006.
14. Ibid, P-7
15. Ibid,P-2
16. Ibid, 2006, P-2.
17. Kaldor, M (1999): New and Old Wars: Organized Violence in a Globalized Era, Cambridge, Polity Press.
18. Kidron, Michael (1967): A Permanent Arms Economy, *International Socialism*, 1: 28, Spring 1967, p-1.
19. Keegan William (2004): "America: 'This is a Crude Government,' published October 17, 2004, the Toronto Star.
20. Keynes, John Maynard (1936) The General Theory of Employment, Interest and Money, London: Macmillan (reprinted 2007)
21. Keynes, John Maynard (2004) [1919]. The Economic Consequences of the Peace. New Brunswick: Transaction Publishers. ISBN 0765805294.
22. Marx, Karl(1852): "The Eighteenth Brumaire of Louis Napoleon", in K. Marx and F. Engels (1972) *Gesammelte Werke* (MEW) Band 8 ,Berlin, Aufbau.
23. Oakes, Walter J. (1944): "Towards a Permanent Arms Economy?" *Politics*, February.
24. Poast, Paul (2006): The Economics of War, New York: McGraw-Hill/Irwin.
25. Riche, Pascal (2006): "The Cost of the War," *TPM Cafe*, January 5, 2006.
26. Regan, Tom (2006): "Report: Iraq war costs could top \$2 trillion. New study takes into account long-term costs of healthcare for wounded soldiers," *Christian Science Monitor*, January 10, 2006.
27. Schlichte, Klaus 2003 in Jung,Dietrich (edt.) Shadow Globalization, Ethnic Conflicts and New wars: A Political economy of intra state war, Routledge, London, p-32.

28. Stiglitz, Joseph and Bilmes, Linda J. (2008): *The Three Trillion Dollar War*, W. W. Norton and Company, New York, USA.
29. Schetter, Conrad; Glassner, Rainer; Karokhail, Masood (2007): *Beyond Warlordism: The Local Security Architecture in Afghanistan*, IPG 2/2007. The documents is also available at this link: [http://www.fes.de/ipg/inhalt\\_d/pdf/10\\_Schetter\\_US.pdf](http://www.fes.de/ipg/inhalt_d/pdf/10_Schetter_US.pdf)
30. Tilly, Charles (1990): *Coercion, Capital and European States, AD 900-1900*, Cambridge: Basil Blackwell, Page-206
31. Vance, T. N. (1951): "The Permanent Arms Economy", *New International*.
32. Vulliamy, Ed (2000): "America in the Grip of Bush's 'Iron Triangle,'" *Observer of London*, December 3, 2000.
33. Wilson, Jamie (2006): "Iraq War Could Cost US Over \$2 Trillion, says Nobel Prize-Winning Economist," *Guardian (UK) (Common Dreams)*, January 7, 2006: "Economists say official estimates are far too low; New calculation takes in dead and injured soldiers."
34. Zartmann, I. William (2010): In his discussion on, the Woodrow Wilson International Center for Scholars and the International Peace Academy co-sponsored a conference on "The Economics of War." September 10, 2001. Mr. I. William Zartman, a Fellow of former WWC of the Project- Through the joint efforts of the Latin American Program, the Africa Project, the Asia Program, the Middle East Program, Conflict Prevention Project, the Kennan Institute.
35. <http://costofwar.com/en/>

