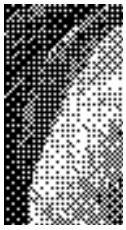
economics in violence



Elisha Patmon
Research & Communications Executive

We forget how the collective identity of religion, social status, civil issues, territorial, ideological and even reprisal, unite people together. People themselves are wired to be social and part of a group, often known as the bandwagon effect. Of course there are exceptions, where the relative “normal” is not followed, but once everyone is doing it, it becomes hard for an individual to have a separate opinion especially when they did not form such a strong countenance in the beginning, or would want to be part of a collective. They start to adopt the values and behaviors of people around them because it is simply easier. This proximity and repetition play a heavy part and create this phenomenon, and herd mentality is born as it starts to ignore beliefs that one may have, in favor of following a group because other people are doing it. A very powerful and underrated tool that makes people think that if they are a part of something, they are bound to be on a winning side because so many others must be as well.

This collective identity is usually used within the beginnings of a conflict - to rouse groups together, have a perceived reliance on each other to further the effort and make people believe in a cause worth fighting for. It can also be used as a deterrent from a bigger issue which encompasses the downfall of the society itself by disguising the true intention. There are exceptions to not following the plausible foreseeable grain, such as the mass protests during the Iraq War, the Ukraine War and more recently, Palestine. There is a fine line that exists between the people and the government with a hypothetical contract drawn between them; this economic hypothesis is called a social contract. The trust in the government and public satisfaction are some of the key factors within this context. Yugoslavia is an example of when there is a failure of a social construction within the country. There was a breakdown of political and civil order because they transformed from a socialist society into a market economy. Their rapid growth in the 60’s and 70’s contributed to a dangerous seesaw of foreign borrowing, debt obligations, declining trade, declining living standards and a lack of debt relief. With the economic fallout that then happened in the 70’s and 80’s worldwide, this all culminated and the social contract broke, leading to ethnic tensions, protests, a constitutional crisis and ultimately the Yugoslav Wars, that caused the country to break apart.

War is fickle and understanding the economic impacts lands on a picky scale. The corroboration between GDP and going into a war are unclear because of the way the input and output are measured. It is up to the nation, and in most cases, there is not an index that accounts the mass killing of people (from home or away) and the bludgeoning of infrastructure. Weapons production and manufacturing in support of that, counts positively towards the GDP. The blip comes when there is no account of the human destruction waged and the adverse effects it will have in the future. There is no shortage of consequences like inflation, lower trade and unemployment, even if employment is generated during the war - creating an unfair surplus. For societies that base their income solely on militarisation, there may be a more streamlined benefit, but there are barely any studies to show that there are positive nor negative effects on the GDP per capita during war and the ones that are there, are highly inconsistent with their findings.

Although GDP was designed to measure levels of products, capacity and economic growth, it is often used as a tool to measure the welfare of citizens because it assesses something that all humans engage in to survive. It is fair to assume that there are challenges within that perspective as economists argue that there is not just one way to look at the country's growth; GDP cannot be the only contributing factor.

There seems to be a disconnect though, in the countries that are pedaling at the front of this movement - usually high earners. This type of thinking seldom applies to the low income countries as almost always, poor economies are large determinations to whether or not violence is more akin to spread, because of the economic instability that goes hand in hand with political and societal issues. This is seen through history: the United States and the United Kingdom’s military spending reached 40% during the First and Second World Wars; that production ended up boosting GDP. GDP per capita then dropped in general, to about 9% before it started to recover. We can then see through reports that this sentiment is then not shared however, for countries that do not have the same status - theirs can drop from 40-70%, like the wars in the Middle East (Syria, Iraq, Iran) and Eastern Europe in the 1990s (Bosnia, Georgia, Moldova, Tajikistan). Countries that earn in a higher bracket, although experiencing a downturn during heavy periods of violence, have a substantially better recovery period than ones that do not.

The balance of this assessment then yields unfortunately, a lower GDP being conducive to a country that is more likely to see degrees of brutality. I preface this by saying that it is not always the case; there is not a concrete mutuality of there being more crime in low income countries, and high levels of conflict being supplemented with a lower GDP, and vice versa.

With this in mind, what can be measured is when a lower GDP contributes to a country that is more likely to see extreme levels of violence. In an economic framework, this theory has merit. When conflict increases, the perceived value of violent appropriation increases as well. That violent appropriation is determined by the wealth displayed in society and whether or not that wealth is distributed or delegated fairly. In general, societies that are “captured'' through territorial control, especially if they are sitting on immoble wealth (i.e. natural resources, gems, poppy), are more prone to a violent uprising. An availability of wealth that can be taken and a prevalence in poverty to begin with, negatively correlate. Societies that have been through this control are more often than not, poorer countries that have either gained independence in the past 70 years. The coalitions, rebellions and insurgencies that have come out of it, are testaments to that. There is a direct connection between those ideas - the aftermath of autocratic systems that execute tight regulations on labor mobility, and the way that violence is still present within these societies, because of the expungement of their wealth and marginalization of the population.

The results on human life have devastating downfalls: extreme poverty, food scarcity, de-globalisation and unstable environmental factors. Not to mention any preexisting global economic trends, such as a recession, that could make things worse. The Institute for Economics and Peace found that in the current ten countries that have the highest economic cost of violence, they lose an average of 41% of their economic output as a direct result. Stable countries however, only use 3.9% of their GDP respectively. Having such a loss then, within a country that does not reap capitalistic benefits, or not given the opportunity to progress like the superpowers or stable countries of the world, have devastating effects on the people and contribute to a daily struggle for survival.

There is no discrimination when it comes to benefiting a niche amount of people though: in particular the technology, manufacturing, military and pharmaceutical industries. These industries create big revenue through economic hardship in a vicious cycle: money then for these endeavors creates a strain on the general population. There are contested sayings that reap benefits to the situation, such as “war breeds innovation”. Not only is it methodically popular, it often borders on the mythological. War gives way to innovative ideas because there is an upheaval in a power structure, and an imbalance procured for people to take advantage, or create something in the vacuum that is left, does not mean that it is a breeding ground for innovation, it is simply people doing what they can with what they are given.

When it does create technological advances, it is usually for military advancement and those technologies can be used in afterthought for non-military purposes, such as radar that was developed for WW2 by the British. It is still through, an advancement that does not benefit all industries but a few.

Other events to occur are simply consequences and ramifications - some for the good and some for the bad; the independence of countries have come out of having war, and the second wave of the women’s movement has come from WW2. In hindsight, it is not the only grounds for prosperity and simplifies a very complicated stance to something too easily digestible.

Even if the end goal that promises harmony, conflict sold to a demographic has adverse effects. The global economic impact of violence is at a staggering 14.4 trillion, according to the 2021 Economic Value of Peace report, an egregious amount of money that usually does not fight in the face of adversity, but employs religion, class, territorial, tribal, retaliation and revenge mechanisms to continue forth with egotistical ideals. It is clear that there is no monetary value within it, as everyone still suffers some respite at the end. What is more convoluted is how it is an art form, where the ones that want it, use to employ it. There simply cannot be insurgency, overthrow and civil war to pulsate the loss of control within the government every time, because individuals are too proud.

Fragile lines often get crossed in an unfair smear of ridicule that has much to do with the power grab that instability often leaves behind, in a fictitious bid to create something new. It is harrowing to know that the thought of conflict and its ideals are easily spread, and even more so when there is evidence to back up claims that it is easier done in societies that are deemed unstable or suffer from lower economic growth. Malaysia is not immune to the charms of not taking sides. There is a delicate card of houses that are balancing on variables, leading to something that is not in our control, and the constant states of economic and government standstills in Indonesia, Thailand and Myanmar only concur to the tip of the iceberg.

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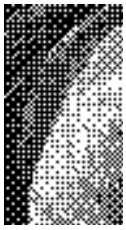

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KENNETH ROGOFF is the Thomas D. Cabot Professor of Public Policy and professor of economics at Harvard University. (2022, April 11). The long-lasting economic shock of war. IMF. https://www.imf.org/en/Publications/fandd/issues/2022/03/the-long-lasting-economic-shock-of-war#:~:text=But%20the%20war%20also%20greatly,deglobalization%2C%20and%20worsening%20environmental%20degradation.
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