

## Introduction: a new journal

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The idea that led to this new journal was conceived long before the twin towers of New York City's World Trade Center fell in 2001. Even then we perceived an urgent need to produce and present a compact, well-written set of essays highlighting some of the many economic aspects surrounding questions of conflict, war, and peace.

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This is the first issue, and volume, of a new journal, *The Economics of Peace and Security Journal*, addressing themes relating to the economics of conflict. This issue's theme is Conflict and Development, and we are fortunate

to count among our contributors a former chief economist of the World Bank, Nobel Laureate Joseph Stiglitz, now a professor at Columbia University in New York, as well as a former chief research officer of the Bank, Paul Collier, who recently returned to a professorship at Oxford University. Although all of our authors speak only for themselves, it is naturally of interest to learn what former high-level officials think about how conflict and development are related. Stiglitz and Collier provide the opening essays, the former looking at the matter from a theoretical perspective, the latter summarizing extant empirical findings.

These essays are followed by two pieces delving more deeply into how the political economy of war, especially on the African continent, generates and affects its various humanitarian crises and how the war economies of Africa are linked to the peace economies of the industrialized West. Our authors are E. Wayne Nafziger of Kansas State University and Neil Cooper of Plymouth University.

We also present two country studies. The first, written by Tilman Brück, looks at the Mozambican civil war (1975-1992) and its subsequent experience of reconstruction. Brück, formerly of Oxford University, conducted field research in Mozambique. He is now with the German Institute for Economic Research in Berlin. The second country study is contributed by Manuel Ennes Ferreira of the Technical University of Lisbon. An expert on Angola, he reviews and examines aspects of its economy from the inception of its civil war in the early 1960's and concludes with a ten year outlook: since rebel leader Jonas Savimbi's death in February 2002, what are the likely trajectories along which a peace economy might be built – or fail to be built?

In addition to the opening essays, the issue essays, and the country studies, we

include two product-related studies. J. Paul Dunne of Bristol's University of the West of England is a long-time observer of South Africa. He examines its – indeed Africa's – leading arms manufacturer, Denel. And David Gold, former economist at the United Nation's Department of Economic and Social Affairs and now an economics professor at New York's New School University, authored the essay on conflict diamonds. We could have invited articles on conflict timber, conflict oil, or other products. But our purpose is not to be comprehensive but to illustrate.

To provide informative, "grand-sweep" overview essays, followed by in-depth articles on specific issues, followed in turn by a set of country and industry-related case studies is the structure we intend to keep, perhaps adding a "numbers" section on world military and social expenditure in future as well. We will, in any event, add a book review section on our web site, available to all web surfers without charge. Substantive review articles may from time to time be published in the journal itself. For future issues, we plan to look at the economics of peacemaking and peacekeeping, and at economic aspects of military and peaceful uses of outer space. While each issue will carry articles on a unifying theme, we also plan to publish other articles and materials in each issue so long as they relate to economic aspects of conflict and, ideally, its peaceful resolution. The goal is to communicate to (and with) non-economists, in non-technical language, what and how economists think about security issues. We thus address ourselves to our academic colleagues in other scholarly and scientific disciplines, to analysts and practitioners in the policymaking community, to legislators, diplomats, and national and international civil servants and their staff, to members of the armed forces and peacekeeping services, to leaders, employees, and supporters of for-profit businesses, non-governmental organizations, and religious institutions, and to concerned citizens everywhere.

It is little known, and therefore little appreciated, that economists have a long-standing history in making significant contributions to the analysis of security issues. Perhaps the most famous of these contributions is Britain's John Maynard Keynes' *The Economic Consequences of the Peace* (1920), his take on how to treat Germany after its defeat in World War I, and, again, his contribution to the creation of the Bretton Woods institutions with the end of World War II. Likewise, the Frenchman Jean Monnet applied economic thinking to help him forge the European Coal and Steel Union, precursor to what has become a factious but nonetheless peaceful European Union. Cross-border investment, the locking-up of valuable assets in each other's countries, makes war and mutual invasion rather more costly.

Other great names of economics have devoted considerable effort to think and

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write about the economics of conflict, war, and peace, often in book-length treatments. One alphabetical sample includes Kenneth Arrow, Kenneth Boulding, F.Y. Edgeworth, John Kenneth Galbraith, Lawrence Klein, Wassily Leontief, V.I. Lenin, Friedrich List, Karl Marx, Mancur Olson, Vilfredo Pareto, A.C. Pigou, David Ricardo, Lionel Robbins, Joseph A. Schumpeter, Werner Sombart, Thomas Schelling, Adam Smith, Jan Tinbergen, Thorstein Veblen, and Knut Wicksell, a surprisingly diverse assembly. There are, curiously, no “Chicago School” economists *per se* on this list but surely they do not dispute the view that economic development presupposes a peaceful society with well-functioning institutions. Indeed, the “new institutional economics,” which owes much to the Chicago School of economic thinking and that in the widest sense includes luminaries such as James Buchanan, Ronald Coase, and Douglass North, makes a direct contribution to the economic analysis of conflict.

The functioning of modern economies and the continuous betterment of the human material condition is not possible without peaceful co-existence and stability, without security of one’s person and of one’s belongings. The disruption war causes is obvious. What is new is that the economic mechanisms by which this disruption proceeds are now being uncovered. Even the threat of war induces one to engage in protective measures which require the devotion of resources thereby withdrawn from more productive applications. If four percent of the world’s production is devoted to its armed forces, ninety-six percent is not. But the four percent cause a disproportionately large depression in business prospects. In Africa – the focus of this issue of the journal – a relatively small amount of military-related expenditure has for decades thrown the entire continent of some 750 million people into severe convulsions and untold misery. If you can image Africa at peace, you are bound to image it prosperous.

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Business has a far greater stake in the works of peace than in the works of war. We hope that this new journal revives and continues the grand tradition of economists making relevant contributions to the

analysis, diagnosis, and peaceful treatment of conflict. You are invited to share your comments and suggestions with us at our web site, [www.epsjournal.org.uk](http://www.epsjournal.org.uk).

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The articles in this issue were first published in the *ECAAR Review 2003*, in book form. Formed in 1989, ECAAR, Economists Allied for Arms Reduction, was renamed and reorganized as Economists for Peace and Security in 2005. With that renaming and reorganization, we thought that instead of producing articles in printed

book form, we might as well try to reach a larger, indeed global, audience more directly and efficiently by means of a web-based journal. (The articles have been slightly edited and updated to reflect events since 2003.)

We are thankful and grateful to the members of our Advisory Board. They are members of the international affiliates of Economists for Peace and Security, thus ensuring that the editors of this journal receive global advice. Our Associate Editors are, without exception, well-respected economists and experts on economic aspects of conflict. We plan to expand that list in the near future, in particular giving wider representation to developing countries. We also welcome Dr. Bjørn Møller as our book review editor. Finally, we thank Dr. Alvin Birdi and Dr. Sam Perlo-Freeman, our web and managing editors, respectively, for getting this first issue off the ground and into cyberspace.

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