

# IIPS 60303 • Spring 2012

## POLITICAL ECONOMY OF WAR & PEACE

### David F. Ruccio

revised: 27 February 2011

office 410 Decio  
telephone 1-6434  
email Ruccio.1@nd.edu  
hours Tuesdays and Thursdays 2-3 PM & by appointment  
web [www.nd.edu/~druccio/IIPS-S12.html](http://www.nd.edu/~druccio/IIPS-S12.html)

What is the role of the military-industrial complex and the arms trade? What are the economic causes and consequences of civil wars and international conflicts? What are the economic conditions for resolving wars and building and maintaining peace?

There are many different economic theories used to examine the problems of war and peace-building in the world today, and thus to answer such questions. In this course, we begin by surveying the historical and current debates concerning the economic and noneconomic conditions and consequences of war. Then, we study the main concepts of neoclassical economics (the predominant economic theory in the United States and around the world), the Marxian critique of political economy, and the different approaches to international trade and development utilized by neoclassical and Marxian economists. Finally, in the remainder of the course, we turn to a series of key topics in the political economy of war and peace, especially the economic causes and consequences of national and international conflicts and the conditions that need to be in place to end such wars.

### **COURSE REQUIREMENTS**

All students are expected to complete the assigned readings, before the material is covered in class, and to participate in classroom discussions. Grading will, in addition, be based on weekly essays and a final research paper. The weekly essays, each approximately 400-500 words, are due each Tuesday in class. The purpose of the essays is to “grapple” with the readings—to formulate the main themes, to raise the interesting issues, to pose the key questions—in preparation for the classroom discussions. I will be looking for serious, thoughtful, and well-written critical engagements with the readings. The other assignment is a final paper, 3750-5000 words, on the material in the course in relation to a specific topic in the political economy of war and peace. You need to submit an abstract and reading list by 17 April. The final paper is due at the regularly scheduled final exam time.

## TEXTS AND READINGS

Three books have been ordered for the course: Mary Kaldor's *New and Old Wars: Organized Violence in a Global Era* (2<sup>nd</sup> ed.); *Rethinking the Economics of War: The Intersection of Need, Creed, and Greed*, edited by C. J. Arnson and I. W. Zartman; and *The Political Economy of Armed Conflict: Beyond Greed and Grievance*, edited by Karen Ballentine and Jake Sherman. They can be purchased at the campus bookstore. You can purchase a fourth required book, Richard D. Wolff and Stephen A. Resnick's *Economics: Marxian versus Neoclassical*, from one of the usual online sources. All other readings are available on electronic reserve.

### INTRODUCTION [17 January]

M. Kaldor, *New and Old Wars: Organized Violence in a Global Era*, 2d ed. (Palo Alto: Stanford University Press, 2007)

### IT'S NOT (ONLY) ECONOMICS [24 January]

M. E. Brown, "The Causes of Internal Conflict: An Overview," in *Nationalism and Ethnic Conflict*, ed. Michael E. Brown et al., 4-12 (Cambridge, MA: MIT Press, 1997)

B. Valentino, "Final Solutions: The Causes of Mass Killing and Genocide," *Security Studies* 9 (Spring 2000): 1-59

H. Buhaug and S. Gates, "The Geography of Civil War," *Journal of Peace Research* 39 (2002): 417-33

J. A. Piazza, "Rooted in Poverty? Terrorism, Poor Economic Development, and Social Cleavages," *Terrorism and Political Violence* 18 (March 2006): 159-77

J. S. Levy, "International Sources of Interstate and Intrastate War," in *Leashing the Dogs of War: Conflict Management in a Divided World*, ed. C. A. Crocker et al., 17-39 (Washington, D.C.: United States Institute of Peace Press, 2007)

A. Sen, "Violence, Identity, and Poverty," *Journal of Peace Research* 45 (2008): 5-15

### HISTORY & OVERVIEW OF THE DEBATES [31 January]

E. Weede, "The Capitalist Peace," in *The Handbook on the Political Economy of War*, ed. C. J. Coyne and R. L. Mathers, 269-80 (Northampton, MA: Edward Elgar, 2011)

D. M. Rowe, "The Tragedy of Liberalism: How Globalization Caused the First World War," *Security Studies* 14 (July-September 2005): 407-47

M. Humphreys, *Economics and Violent Conflict* (Cambridge: Harvard College, 2002)

C. Anderton, "Economic Theorizing of Conflict: Historical Contributions, Future Possibilities," *Defence and Peace Economics* 14 (2003): 209-22

D. M. Malone and H. Nitzschke, "Economic Agendas in Civil Wars: What We Know, What We Need to Know," Discussion Paper No. 2005/07 (Helsinki: UNU-World Institute for Development Economics Research, 2005)

C. Cramer, "War, Peace and Capitalism: Is Capitalism the Harbinger of Peace or the Greatest Threat to World Peace?" in *Anti-Capitalism: A Marxist Introduction*, ed. A. Saad-Filho, 152-63 (London: Pluto Press, 2003)

M. Starr, "Growth and Conflict in the Developing World: Neo-liberal Narratives and Social-Economy Alternatives," *Review of Social Economy* 64 (June 2006): 205-24

K. Ballentine and J. Sherman, "Introduction," in *The Political Economy of Armed Conflict: Beyond Greed and Grievance*, 1-15 (Boulder: Lynne Rienner, 2003)

C. J. Arnson, "The Political Economy of War: Situating the Debate," in *Rethinking the Economics of War: The Intersection of Need, Creed, and Greed*, ed. C. J. Arnson and I. W. Zartman, 1-22 (Baltimore: Johns Hopkins University Press, 2005)

### **AT THE MOVIES** [7 February]

E. Jarecki, *Why We Fight* (Culver City, CA: Sony Pictures Home Entertainment, 2006)

### **NEOCLASSICAL ECONOMIC THEORY** [14 & 21 February]

R. D. Wolff and S. A. Resnick, *Economics: Marxian versus Neoclassical* (Baltimore: Johns Hopkins University Press, 1987), chaps 1 & 2

C. H. Anderton and J. R. Carter, "Fundamentals of Game Theory," in *Principles of Conflict Economics: A Primer for Social Scientists*, 53-66 (New York: Cambridge University Press, 2009)

cases:

P. Collier, "Doing Well out of War: An Economic Perspective," in *Greed and Grievance: Economic Agendas in Civil Wars*, ed. M. Berdal and D. M. Malone, 91-111 (Boulder: Lynne Rienner, 2000)

P. Yakolev, "The Economics of Torture," in *The Handbook on the Political Economy of War*, ed. C. J. Coyne and R. L. Mathers, 109-25 (Northampton, MA: Edward Elgar, 2011)

### **MARXIAN CRITIQUE OF POLITICAL ECONOMY** [28 February]

R. D. Wolff and S. A. Resnick, *Economics: Marxian versus Neoclassical* (Baltimore: Johns Hopkins University Press, 1987), chaps 3 & 4

case:

C. Cramer, "Does Inequality Cause Conflict?" *Journal of International Development* 15 (2003): 397-412

## **GLOBALIZATION & DEVELOPMENT [6 March]**

P. A. Samuelson and W. D. Nordhaus, *Economics*, 18<sup>th</sup> ed. (New York: McGraw-Hill, 2005), chaps. 15 & 28 (on international trade and development)

P. Patnaik, "Karl Marx as a Development Economist," in *The Pioneers of Development Economics: Great Economists on Development*, ed. J. Ks, 62-73 (London: Zed Books, 2005)

E. Dore, "Understanding Capitalism in the Third World," in *Anti-Capitalism: A Marxist Introduction*, ed. A. Saad-Filho, 164-74 (London: Pluto Press, 2003)

S. Bracking, "Regulating Capital in Accumulation: Negotiating the Imperial 'Frontier'," *Review of African Political Economy* 30 (March 2003): 11-32

A. Chakrabarti and S. Cullenberg, "Class and Need: An Alternative Political Economy of Development," in *Transition and Development in India*, 197-234 (New York: Routledge, 2003)

cases:

C. McClintock, "The Evolution of Internal War in Peru: The Conjunction of Need, Creed, and Organizational Finance," in *Rethinking the Economics of War: The Intersection of Need, Creed, and Greed*, ed. C. J. Arnson and I. W. Zartman, 52-83 (Baltimore: Johns Hopkins University Press, 2005)

E. Picard, "Trafficking, Rents, and Diaspora in the Lebanese War," in *Rethinking the Economics of War: The Intersection of Need, Creed, and Greed*, ed. C. J. Arnson and I. W. Zartman, 23-51 (Baltimore: Johns Hopkins University Press, 2005)

## **CAUSES OF WAR**

- Imperialism, Trade & the Military-Industrial Complex [20 March]

H. Patomäki, "Global Insecurity in the Early Twenty-First Century: Neoliberalization and the Rise of New Imperialism," in *The Political Economy of Global Security: War, Future Crises and Changes in Global Governance*, 124-55, 257-61 (New York: Routledge, 2008)

K. Barbieri and G. Schneider, "Assessing New Directions in the Study of Trade and Conflict" *Journal of Peace Research* 36 (1999): 387-404

S. G. Brooks, "The Globalization of Production and the Changing Benefits of Conquest." *Journal of Conflict Resolution* 43 (October 1999): 646-70

K. Mani, "*Militares Empresarios*: Approaches to Studying the Military as an Economic

Actor,” *Bulletin of Latin American Research* (2010): 1-15

P. W. Singer, “Outsourcing War,” *Foreign Affairs* 84 (2005): 119-32

H. W. Isaac and D. M. Harrison, “Corporate Warriors: The State and Changing Forms of Private Armed Force in America,” in *Globalization Between the Cold War and Neo-Imperialism*, Volume 24, ed. J. M. Lehmann, 153-88 (Stamford, CT: JAI Press, 2006)

cases:

E. Kennes, “The Democratic Republic of the Congo: Structures of Greed, Networks of Need,” in *Rethinking the Economics of War: The Intersection of Need, Creed, and Greed*, ed. C. J. Arnson and I. W. Zartman, 140-77 (Baltimore: Johns Hopkins University Press, 2005)

P. R. Newberg, “Surviving State Failure: Internal War and Regional Conflict in Afghanistan’s Neighborhood,” in *Rethinking the Economics of War: The Intersection of Need, Creed, and Greed*, ed. C. J. Arnson and I. W. Zartman, 206-33 (Baltimore: Johns Hopkins University Press, 2005)

R. Gunaratina, “Sri Lanka: Feeding the Tamil Tigers,” in *The Political Economy of Armed Conflict: Beyond Greed and Grievance*, ed. K. Ballentine and J. Sherman, 197-223 (Boulder: Lynne Rienner, 2003)

- Poverty, Inequality & Underdevelopment [27 March]

P. Justino, *Carrot or Stick? Redistributive Transfers versus Policing in Contexts of Civil Unrest*. MICROECON Research Working Paper 3. Brighton, 2007

V. S. Peterson, “‘New Wars’ and Gendered Economies,” *Feminist Review* 88 (2008): 7-20

D. Jung, “A Political Economy of Intra-State War: Confronting a Paradox,” in D. Jung, ed., *Shadow Globalization, Ethnic Conflicts and New Wars: A Political Economy of Intra-State War* (New York: Routledge, 2003), pp. 9-26.

C. Cramer and P. Richards, “Violence and War in Agrarian Perspective,” *Journal of Agrarian Change* 11 (July 2011): 277-97

E. Benmelech, C. Berrebi, and E. F. Klor, “Economic Conditions and the Quality of Suicide Terrorism,” NBER Research Paper 16320 (August 2010)

cases:

John Bray, Leiv Lunde, and S. Mansoob Murshed, “Nepal: Economic Drivers of the Maoist Insurgency,” in *The Political Economy of Armed Conflict: Beyond Greed and Grievance*, ed. K. Ballentine and J. Sherman, 107-32 (Boulder: Lynne Rienner, 2003)

Anthony J. Regan, “The Bourgainville Conflict: Political and Economic Agendas,” in *The Political Economy of Armed Conflict: Beyond Greed and Grievance*, ed. K. Ballentine and J. Sherman, 133-66 (Boulder: Lynne Rienner, 2003)

- Resources [3 April]

M. T. Klare, "Oil, Geography, and War: The Competitive Pursuit of Petroleum Plenty," in *Resource Wars: The New Landscape of Global Conflict*, 27-50 (New York: Henry Holt & Company, 2001)

M. L. Ross, "Oil, Drugs, and Diamonds: The Varying Roles of Natural Resources in Civil War," in *The Political Economy of Armed Conflict: Beyond Greed and Grievance*, ed. K. Ballentine and J. Sherman, 47-70 (Boulder: Lynne Rienner, 2003)

S. Pegg, "Globalization and Natural-Resource Conflicts," *Naval War College Review* 56 (Autumn 2003): 82-96

O. Dube and J. Vargas, "Commodity Price Shocks and Civil Conflict: Evidence from Colombia," CERAC - Centro de Recursos para el Análisis de Conflictos (December 2006)

cases:

P. Le Billon, "Resource Wealth and Angola's Uncivil Wars," J. D. Kandeh, "The Criminalization of the RUF Insurgency in Sierra Leone," in *Rethinking the Economics of War: The Intersection of Need, Creed, and Greed*, ed. C. J. Arnson and I. W. Zartman, 107-39 (Baltimore: Johns Hopkins University Press, 2005)

A. Guáqueta, "The Colombian Conflict: Political and Economic Dimensions," in *The Political Economy of Armed Conflict: Beyond Greed and Grievance*, ed. K. Ballentine and J. Sherman, 73-106 (Boulder: Lynne Rienner, 2003)

M. Chernick, "Economic Resources and Internal Armed Conflicts: Lessons from the Colombian Case," in *Rethinking the Economics of War: The Intersection of Need, Creed, and Greed*, ed. C. J. Arnson and I. W. Zartman, 178-205 (Baltimore: Johns Hopkins University Press, 2005)

## CONDITIONS AND CONSEQUENCES OF WAR [10 April]

- Conditions of War

Valpy Fitzgerald, "Paying for the War: Economic Policy in Poor Countries Under Conflict Conditions," in *War and Underdevelopment*, vol. 1, *The Economic and Social Consequences of Conflict*, ed. Frances Stewart, Valpy Fitzgerald, and associates, 21-38 (New York: Oxford University Press, 2001)

S. Jackson, "Protecting Livelihoods in Violent Economies," in *Profiting from Peace: Managing the Resource Dimensions of Civil War*, ed. K. Ballentine and H. Nitzschke, 153-82 (Boulder: Lynne Rienner, 2005)

D. Hoffman, "Violence, Just in Time: War and Work in Contemporary West Africa," *Cultural Anthropology* 26 (2011): 34-57

cases:

J. D. Kandeh, "The Criminalization of the RUF Insurgency in Sierra Leone," in *Rethinking the Economics of War: The Intersection of Need, Creed, and Greed*, ed. C. J. Arnson and I. W. Zartman, 84-106 (Baltimore: Johns Hopkins University Press, 2005)

J. Sherman, "Burma: Lessons from the Cease-Fires," in *The Political Economy of Armed Conflict: Beyond Greed and Grievance*, ed. K. Ballantine and J. Sherman, 225-55 (Boulder: Lynne Rienner, 2003)

A. Kubursi and F. Naqib, "The Palestinian Economy Under Occupation: Economicide," *Economics of Peace and Security Journal* 3 (2008): 16-24

- Consequences of War

F. Stewart, C. Huang, and M. Wang, "Internal Wars: An Empirical Overview of the Economic and Social Consequences," in *War and Underdevelopment*, vol. 1, *The Economic and Social Consequences of Conflict*, ed. F. Stewart, V. Fitzgerald, and associates, 67-103 (New York: Oxford University Press, 2001)

P. Collier, "On the Economic Consequences of Civil War," *Oxford Economic Papers* 51 (1999): 168-83

cases:

J. E. Stiglitz and L. J. Bilmes, "The \$3 Trillion Dollar War," *Vanity Fair* (April 2008)

J. E. Stiglitz and L. J. Bilmes, "The True Cost of the Iraq War: \$3 Trillion and Beyond," *Washington Post* (5 September 2010)

A. Yannis, "Kosovo: The Political Economy of Conflict and Peacebuilding," in *The Political Economy of Armed Conflict: Beyond Greed and Grievance*, ed. K. Ballantine and J. Sherman, 167-95 (Boulder: Lynne Rienner, 2003)

M. O'Sullivan, "Sri Lanka: Civil Strife, and the State 1983-1995," in *War and Underdevelopment*, vol. 2, *Country Experiences*, ed. F. Stewart, V. Fitzgerald, and associates, 176-219 (New York: Oxford University Press, 2001)

## PREVENTING WAR/BUILDING PEACE

- Sanctions & International Institutions [17 April] > **ABSTRACT DUE**

R. A. Pape, "Why Economic Sanctions Do Not Work," *International Security* 22 (Autumn 1997): 90-136

J.-M. F. Blanchard and N. M. Ripsman, "Asking the Right Question: When Do Economic Sanctions Work Best?" *Security Studies* 9 (Autumn 1999): 228-64

D. Cortright and G. A. Lopez, "Sanctions as Alternatives to War," in *The Handbook on the Political Economy of War*, ed. C. J. Coyne and R. L. Mathers, 534-70 (Northampton, MA: Edward Elgar, 2011)

T. C. Morgan and N. A. Bapat, "Imposing Sanctions: States, Firms, and Economic Coercion," *International Studies Review* 5 (December 2003): 65- 79

V. Fitzgerald, "The International Political Economy of Conflict in Poor Countries," in *War and Underdevelopment*, vol. 1, *The Economic and Social Consequences of Conflict*, ed. F. Stewart, V. Fitzgerald, and associates, 204-24 (New York: Oxford University Press, 2001)

P. Le Billon, "Getting It Done: Instruments of Enforcement," in *Natural Resources and Violent Conflict: Options and Actions*, ed. I. Bannon and P. Collier, 215-86 (Washington, D.C.: World Bank, 2003)

D. M. Malone and J. Sherman, "Economic Factors in Civil Wars: Policy Considerations," in *Rethinking the Economics of War: The Intersection of Need, Creed, and Greed*, ed. C. J. Arnson and I. W. Zartman, 234-55 (Baltimore: Johns Hopkins University Press, 2005)

cases:

C. Carter, "The Political Economy of Conflict and UN Intervention: Rethinking the Critical Cases of Africa," in *The Political Economy of Armed Conflict: Beyond Greed and Grievance*, ed. K. Ballentine and J. Sherman, 19-45 (Boulder: Lynne Rienner, 2003)

J. Dunne, "After the Slaughter: Reconstructing Mozambique and Rwanda," *Economics of Peace and Security Journal* 1 (2006): 39-46

- Development, Aid & NGOs [24 April]

P. van Houten, "The World Bank's (Post-)Conflict Agenda: The Challenge of Integrating Development and Security," *Cambridge Review of International Affairs* 20 (2007): 639-57

F. Stewart and E. Samman, "Food Aid During Civil War: Conflicting Conclusions Derives from Alternative Approaches," in *War and Underdevelopment*, vol. 1, *The Economic and Social Consequences of Conflict*, ed. F. Stewart, V. Fitzgerald, and associates, 168-203 (New York: Oxford University Press, 2001)

J. K. Boyce and M. Pastor, Jr., "Aid for Peace: Can International Financial Institutions Help Prevent Conflict?" *World Policy Journal* 15 (Summer 1998): 42-50

D. Shearer, "Aiding or Abetting? Humanitarian Aid and Its Economic Role in Civil War," in Mats Berdal and David M. Malone, eds., *Greed and Grievance: Economic Agendas in Civil Wars*, 189-203 (Boulder: Lynne Rienner, 2000)

United Nations Development Programme, *Price of Peace: Financing for Gender Equality in Post-Conflict Reconstruction* (New York: UNDP, October 2010)

A. Fraser, "Poverty Reduction Strategy Papers: Now Who Calls the Shots?" *Review of African Political Economy* 32 (June-September 2005): 317-40

J. Nelson, "Operating in Insecure Environments," in *Too Poor for Peace? Global Poverty, Conflict, and Security in the 21<sup>st</sup> Century*, ed. Lael Brainard and Derek Chollet,



128-52 (Washington, D.C.: Brookings Institution, 2007)

A. Stavrianakis, "What's the Problem: NGOs and the Arms Trade," in *Taking Aim at the Arms Trade: NGOs, Global Civil Society and the World Military Order*, 33-61 (New York: Zed Books, 2010)

cases:

V. Fitzgerald and A. Grigsby, "Nicaragua: The Political Economy of Social Reform and Armed Conflict," in *War and Underdevelopment*, vol. 2, *Country Experiences*, ed. F. Stewart, V. Fitzgerald, and associates, 119-54 (New York: Oxford University Press, 2001)

T. Brück, "War and Reconstruction in Northern Mozambique," *Economics of Peace and Security Journal* 1 (2006): 30-39

P. Marsden and E. Samman, "Afghanistan: The Economic and Social Impact of Conflict," in *War and Underdevelopment*, vol. 2, *Country Experiences*, ed. F. Stewart, V. Fitzgerald, and associates, 21-55 (New York: Oxford University Press, 2001)

N. Kanafani and S. Al-Botmeh, "The Political Economy of Food Aid to Palestine," *Economics of Peace and Security Journal* 3 (2008): 39-48

## **IN LIEU OF A CONCLUSION** [1 May]

C. Nordstrom, "Requiem for the Rational War," in *Deadly Developments: Capitalism, State, and War*, ed. S. P. Reyna and R. E. Downs, 153-75 (Amsterdam: Gordon and Breach, 1999)

F. Stewart and V. Fitzgerald, "The Costs of War in Poor Countries: Conclusions and Policy Recommendations," in *War and Underdevelopment*, vol. 1, *The Economic and Social Consequences of Conflict*, ed. F. Stewart, V. Fitzgerald, and associates, 225-45 (New York: Oxford University Press, 2001)

K. Ballentine, "Beyond Greed and Grievance: Reconsidering the Economic Dynamics of Armed Conflict," in *The Political Economy of Armed Conflict: Beyond Greed and Grievance*, 259-83 (Boulder: Lynne Rienner, 2003)

I. W. Zartman, "Need, Creed, and Greed in Interstate Conflict," in *Rethinking the Economics of War: The Intersection of Need, Creed, and Greed*, ed. C. J. Arnson and I. W. Zartman, 256-84 (Baltimore: Johns Hopkins University Press, 2005)

N. Cooper, "Peaceful Warriors and Warring Peacemakers," *Economics of Peace and Security Journal* 1 (2006): 20-24