

Some remarks on the power problem in economy of conflict

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Foreword

Famous British sociologist Herbert Spenser defines two types of historically existing societies – industrial and military societies. Industrial society produces goods and consumes, while military society conquers what was produced by industrial societies, using its military might. From the first look on this definition from positions of economy of war, only the first type of society relates to economy and rationalism; the second type, that is military type of society, seems to be related to conflict and war, to irrational forces and has nothing with production and creation. And, logically, **what has no relation to production, trade and service, has nothing with economy.**

Actually, in the context of interrelation between economy and war issues **this statement is more wrong than correct.** On the one hand, conflict and war destroy, and destroy not only natural environment, but basically what has been created by trade, industry, by physical and mental work of people. In this sense conflict and war oppose to economy in the sense of production, and meanwhile conflict and war are closely related to economy. Even in simple and initial types of war with hand-made weapons and tools one of the most important type of resources is used, that is human resource. People in war kill and destroy each other, they rape enemy's women to destroy reproduction ability of enemy and use enemy's human resource for self-reproduction. This logic is purely economic, despite being more than inhuman and barbarian.

Besides that, starting from the primitive means to kill and destroy and having the modern weapons of mass destruction, we witness results of **Military industry** that is traditional segment of economy. Today military industry is one of the major sectors of economy in most of industrially developed countries, and war often serves as very proper moment to create new military demand and to answer by military supply, that is – to produce more and newer weapons. Again, the watershed between “military” and “industrial” societies is not as obvious as seemed to Spenser.

Close interrelation between war and economy determines all types of reasoning in terms of economic explanations of war, including one we are concentrate on in this essay that is the problem of power in economy of conflict and war.

Power is a central category in international relations theory, in political science, and less stressed, but not less important for economists. On the other hand, it seems that power issues in economics are determined less certainly, there is attempt to build up specific perception and understanding of power in specifically economic terms, but definitions of power in IR and political science seem to be more concrete and justified anyway.

One of the modern definitions of power in IR and Political science mostly relevant for economic activities is one given by Joseph S. Nye, who determines two types of power – “soft power” and “hard power”; Nye determines soft power as “the ability to set the political agenda in a way that shapes the preferences of others... If I can get you to *want* to do what I want, then I do not want have to force you to do what you do *not* want to do” (Nye 2002, p. 9). In other words, soft power means *attraction, or encouragement*, while hard power means pressure and enforcement. The interesting is that Nye describes **economic power as hard power**: “Military power and economic power are both examples of hard command power that can be used to induce others to change their positions. Hard power can rest on inducement (carrots) and threats (sticks)” (Nye 2002, p. 8).

This definition of power rests not on the fields of influence, but on methods that may attract or enforce. The weak point of this definition is that economic power is taken by Nye purely as sort of hard power, while economic assets may serve as soft power too; numerous of international education programs or effective propaganda itself taken by Nye as soft power would be impossible if no economic capacities and spending. Economy serves as basis for military plans as well as supportive propaganda, and in this sense Karl Marx was right taking economy as basis for political and cultural superstructure.

An interesting definition of power in economic sense is given by Mehrdad Vahabi, who distinguishes three types of power, which he names ‘creative’, ‘destructive’, and ‘moral and ideological’ power: “Creative power is a type of economic power, which is based on the institution of property. It refers to the ability to create (produce, exchange) value (use and exchange value) in all its material and immaterial forms which embrace both organizational and technical capabilities. It also includes the right to exclude and to control economic activities, and it uses economic punishments and rewards. Destructive power is the power to destroy use or exchange values. It can also be used to protect property rights and thus, it is the basis of law and sovereignty. It includes not only coercive and threat power but also non-violent forms of pressure such as strikes and boycotts. In a sense, destructive power is the opposite or negative counterpart of creative power. However, destruction and creation are not two totally separate,

purely contradictory processes. Between them, there are much more complicated relationships: they are simultaneously identical, different and opposite... The third type of power, moral and ideological power, can be defined as the power to form and influence opinions, beliefs and the meaning of sacredness. It is the legitimacy power" (Vahabi 2004, p. 18).

As far as Vahabi defines destructive power as "the power to destroy use or exchange values", there is a question that makes me surprised about watershed between economics and political / military science. According to his concept of construction and destruction, to create economic (and other, for example, cultural values) means to use constructive power, and to destroy anything (including use or exchange values) means to use destructive power. Vahabi is economist, but his definition of constructive and destructive power is purely political and military and, besides that, may be taken only in pre-Spenserian context; his definition of destructive and creative power may be taken as useful only partly, the same way as definition of military and industrial societies by Spenser.

Again, this definition of an economist is purely political and military, because an economic definition of destructive power would be impossible from the beginning; nothing may be produced without destroying or transforming. When something is produced, at least a part of resources needed to produce are destroyed. Or, when an energetic company provides home hitting service at cold winter, it destroys gas resources, and partly environment. So, destructive power in economic sense is as normal as creative power.

Of course, by defining various types of power in the context of economy of conflict the basis for such definitions may be taken not from the type of action like creative or destructive (as in former case), but the **motivation to construct or to destroy** that as a result may have the both – positive and negative effects. Again, results or outcomes of use of power may not always serve as plausible arguments to define power as constructive or destructive, but the motivation of both individuals and groups of people (including state power) may be serve as measurement to decide about which type of power have been used.

For example, pretend that on the place of Twin Towers destroyed by terrorists in September 11, 2001, NY authorities and Michael Blumberg decided to build supermarket of candy factory. In the both cases the decision was to build, that means to construct, or to create (in Vahabi's terms). Besides that, the result itself will also be productive, or creative, because in the both cases of Supermarket or a Candy Factory some goods will be produced or exchanged, that in terms of economics means Good.

But let's have a look on the entire chain of events; the first step was to destroy, and if there were no terrorists with their rude and inhuman doings, there would be no candy factory or no supermarket. Logically that is right. Economically too, because if taking the example about *The Kid* movie of Charley Chaplin brought by Vahabi where a kid with his older friend Chaplin were walking around, and while the kid was broking windows by throwing stones upon the glass, Chaplin's hero was following with instruments to repair broken windows and to earn money for both the kid and for himself. So, the chain of events is the same as in imagined case of terrorists followed by businesspeople. Is there relationship between terrorists of 9/11 and people who would be very happy to own supermarket in the center of New York? Fortunately, there is no such cynicism in the case of 9/11 to intentionally destroy to build, but one another case – the case of the recent NATO war in Afghanistan, and the fresh announcement of Barak Obama that next year they are going to rebuild Afghani cities, obviously demonstrates that Obama and many others behave the same way as the Chaplin's hero broking windows of neighbors to earn something by repairing them. The major issue based on these examples is **if it is possible to define production and destruction in relation with conflict and war.**

One of the possible answers may be that we tried to anticipate before, that is **motivation to construct or to destroy**. In other words, while terrorists have only motivation to destroy without any other constructive follow-up intentions and activities, their actions must be taken as only destructive also in terms of economy of conflict. The notion "terrorism" itself includes the major aim of terrorists – Terror that is the only motivation they have or used to have. Otherwise, if an enemy's army is going to destroy military bases of a city or country they try to conquer, with further intent to build there their own capital or to use new resources more productively (again, according to their calculation), their destructive activity against enemy is to be considered as a kind of resource management, or investment of a capital (including human resources and solders' lives) into a new economic project. Motivation to build may be accompanied by destructive actions, and the same or similar destructive actions may be motivated by only wish to destroy. And in the both cases the unifying reason is to practice power time after time.

Nye, Joseph S. (2002). *The Paradox of American Power*. Oxford University Press.

Vahabi, Mehrdad (2004). *The Political Economy of Destructive Power*. Edward Elgar
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