



# The Economics of World War II: Six Great Powers in International Comparison

Harrison, Mark

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Mark Harrison, editor, *The Economics of World War II: Six Great Powers in International Comparison*. Cambridge, UK; Cambridge University Press, 1998. xiii + 307 pp. \$49.95 (cloth), ISBN: 0-521-620465.

Reviewed for EH.NET by Geoffrey T. Mills, College of Business, University of Northern Iowa.

Scholars and students of World War II will find this collection of essays an extremely useful addition to their libraries. The essays cover the six major antagonists of the war: Germany, Japan, Italy, the Soviet Union, the UK and the US. The editor succeeds in achieving a major goal of the book which is to "provide a text of statistical reference for students and researchers interested in international and comparative economic history, the history of WWII, the history of economic policy, and comparative economic systems." While this is an ambitious goal, these essays provide insight into these issues, and, where possible, answers to important questions.

Mark Harris on has organized this book around three key questions. What contribution did economies make to war preparedness and to winning or losing the war? What was the effect of wartime experiences on post war fortunes? Did those who won the war then lose the peace? Given these questions, economic growth as effected by military mobilization becomes a central theme of the book. In general all six authors devote space not only to the economics of the war economy, but also to the periods before the war, and to the consequences of World War II on long-run economic fortunes.

In the introduction, Harrison provides an extensive overview of the book. This essay is essentially an extended quantitative discussion of the economic and military elements of the war. In essence , this section outlines the stark economic realities of conducting an extended large scale war and concludes that a major reason, if not the prime reason, the allies were victorious was due to their overwhelming advantage in the material and logistic aspects of the conflict. Harrison also penned the article on the Soviet economy. This piece is an impressive statistical analysis of the Soviet war effort and

its impact on post-war growth. Harrison does not conclude that the collapse of the Soviet economy in the 1980's was a result of its success against Germany, but he does indicate that success in World War II entrenched an inefficient production system and extended credibility to a generation of leaders positively associated with the defense industry. The result may well have been a first world military set upon a third world economic system, and this arrangement could not be sustained indefinitely.

Hugh Rockoff's article on the United States fills a gap in the literature on the World War II years, especially the 1939-1943 period. Rockoff concentrates, not unexpectedly, on the conversion from civilian consumption to war production and the trade-offs necessary in this transition. Compared to the other countries detailed in this volume, the US was afforded the most leisurely approach to rearming as its frontiers were not threatened. While he looks at a large array of statistics Rockoff tends to focus his analysis on a total factor productivity model, and concludes that no single factor accounts for the rise in output. Success came from an across-the-board effort to mobilize resources. One major contribution which Rockoff offers has to do with the source of America's post-war prosperity. He concludes that while war economics certainly played some role in post-WWII growth, the most likely explanation for the prosperity was a change in the macroeconomic regime. The Great Depression and World War II effectively converted the economics profession to a Keynesian viewpoint whereby the government was seen as a positive force in the economic affairs of the nation. He concludes that the most long lasting legacy of the war was this Keynesian viewpoint which reshaped the intellectual and institutional operations of macroeconomics and relied upon monetary and fiscal policy tools for the prevention of inflation and unemployment.

Stephen Broadberry and Peter Howlett offer an essay on the UK entitled "Victory at all Costs." The title is indicative of the economic effort which Britain bent to the war effort. Their analysis indicates the huge scale of mobilization which the Brits undertook--some 55.3% of GDP of 1943. This section takes into consideration all aspects of the British economy and is refreshing in its completeness and attention to close economic analysis. They conclude that, not unsurprisingly, the war effort in Britain was dominated by a Keynesian outlook, one which placed great faith in government controls.

One of the main virtues of this volume is its attention, in a single location, to the totalitarian states. The essays on Germany by Werner Abelshauser; Italy, by Vera Zamagni; Japan, by Akira Hara; and Russia, by Harrison, all stand in stark contrast to those on the US and UK. The articles on Japan and Italy are especially welcome because material on these countries is relatively unavailable in English, and the comparative approach here makes these essays both significant and enlightening. All four of these pieces deal with the problems of

managing a huge war effort with a totalitarian mechanism.

Decision making was in the hands of a small set of people, but there was, in all cases, a surprisingly large amount of input. Hara points out that the Japanese had an especially difficult time managing their far flung empire with limited natural resources. And especially interesting in all cases is the respective discussion of the long run impact of the war given the mass levels of destruction, occupation and/or defeat which the war wrought on these countries.

Harrison has put together an extremely useful book on comparative economic history. The six essays are all very well done, and all conclude with sections outlining the impact of the war on post-war growth. This book adds to our understanding of war economics and the shape of the world economy in the second half of the twentieth century.

Geoffrey Mills is author (with Hugh Rockoff) of *The Sinews of War: Essays on the Economic History of World War II* (Ames, IA: Iowa State University Press, 1993) plus other articles and essays involving war economics.

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