

# EC224 War and Economy in the Twentieth Century, 2018/19

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## Core Reading

- Broadberry, Stephen, and Mark Harrison, eds. 2005. *The Economics of World War I*. Cambridge: Cambridge University Press.
- Harrison, Mark, ed. 1998. *The Economics of World War II: Six Great Powers in International Comparison*. Cambridge: Cambridge University Press.
- Smith, Ron P. 2009. *Military Economics: the Interaction of Power and Money*, especially chapters 1 to 3. Basingstoke: Palgrave Macmillan.

## Pre-Reading

### *Why nations fight*

- Harrison, Mark. 2015. Introduction. In *The Economics of Coercion and Conflict*, pp. 1-36. By Mark Harrison. London: World Scientific. What sort of economics do we need to analyse conflict and coercion? (Preprint on my website.)
- Fearon, James D. 1995. Rationalist Explanations for War. *International Organization* 49(3): 379-414. A political scientist's canonical analysis of conditions under which war should not and might arise.
- Rodrik, Dani. 2014. When Ideas Trump Interests: Preferences, Worldviews, and Policy Innovations. *Journal of Economic Perspectives*, 28(1): 189-208. An economist asks how self-interest is changed by conflicts over identity and understanding of how the world works.

### *How armies fight*

- Brennan, Geoffrey, and Gordon Tullock. 1982. An Economic Theory of Military Tactics: Methodological Individualism at War. *Journal of Economic Behavior and Organization* 3(2-3), 225-42. Two economists ask what soldiers actually do in battles.
- Keegan, John. 1976. *The Face of Battle: A Study of Agincourt, Waterloo, and the Somme*. London: Jonathan Cape. A historian asks what soldiers actually do in battles.

### *What happened in the twentieth century*

- Howard, Michael. 2007. *The First World War: A Very Short Introduction*. Oxford: Oxford University Press.
- McMahon, Robert J. 2003. *The Cold War: A Very Short Introduction*. Oxford: Oxford University Press.
- Weinberg, Gerhard L. 2014. *The Second World War: A Very Short Introduction*. Oxford: Oxford University Press.

## 1. The economist's toolkit

- Brauer, Jurgen, and Hubert van Tuyll. 2008. *Castles, Battles, and Bombs: How Economics Explains Military History*, chapter 1 (Economics). Chicago: University of Chicago Press.

- Bueno de Mesquita, Bruce. 2006. Game Theory, Political Economy, and the Evolving Study of War and Peace. *American Political Science Review* 100:4, pp. 637-642.
- Harrison, Mark. 2015. Introduction. In *The Economics of Coercion and Conflict*, pp. 1-36. By Mark Harrison. London: World Scientific. (Preprint on my website.)
- Smith, Ron P. 2009. *Military Economics: the Interaction of Power and Money*, chapter 2 (Power and money). Basingstoke: Palgrave Macmillan.

## **2. War and the state**

- Ferguson, Niall. 2001. *The Cash Nexus: Money and Power in the Modern World, 1700-2000*. London: Allen Lane.
- Hoffman, Philip T. 2012. Why Was It Europeans Who Conquered the World? *Journal of Economic History* 72(3), pp. 601-633.
- Pinker, Steven. 2011. *The Better Angels of our Nature: The Decline of Violence in History and its Causes*. London: Allen Lane.
- Zielinski, Rosella C. 2016. *How States Pay for Wars*. Ithaca: Cornell University Press, chapter 1 (How States Pay for Wars).

## **3. WW1: Origins**

- Berghahn, Volker R. 1973. *Germany and the Approach of War in 1914*. London: Macmillan, chapter 2 (Tirpitz's Grand Design).
- Findlay, Ronald, and Kevin H. O'Rourke. 2007. *Power and plenty: trade, war, and the world economy in the second millennium*. Princeton: Princeton University Press, chapter 7 (World Trade 1780-1914: The Great Specialization).
- Hamilton, Richard F., and Holger H. Herwig, eds. 2004. *Decisions for War, 1914-17*, chapters 1 (A Review of the Explanations) and 12 (On the Origins of the Catastrophe). Cambridge: Cambridge University Press.
- Harrison, Mark. 2016. Myths of the Great War. In *Economic History of Warfare and State Formation*, pp. 135-159. Edited by Jari Eloranta, Eric Golson, Andrei Markevich, and Nikolaus Wolf. Singapore: Springer. (Preprint on my website.)
- Onorato, Massimiliano Gaetano, Kenneth Scheve, and David Stasavage, 2014. Technology and the Era of the Mass Army, *Journal of Economic History* 74(2), pp. 449-481.

## **4. WW1: Mobilization**

- Broadberry, Stephen, and Mark Harrison. 2005. *The Economics of World War I: an Overview*. In *The Economics of World War I*, pp. 3-40. Edited by Stephen Broadberry and Mark Harrison. Cambridge: Cambridge University Press. (Preprint on my website.) See also country chapters by individual authors.
- Feldman, Gerald D. 1966. *Army, Industry, and Labor in Germany 1914-1918*. Princeton: Princeton University Press. Read selectively, for example: Chapters II.1, III.1, V.1-2.
- Ferguson, Niall. 1999. *The Pity of War: Explaining World War I*. New York: Basic Books.

- Harrison, Mark, and Andrei Markevich. 2018. Russia's Home Front, 1914-1922: The Economy. With Andrei Markevich. In *Russia's Home Front in War and Revolution, 1914-1922*, vol. 3. National Disintegration, pp. 23-44. Edited by Christopher Read, Peter Waldron, and Adele Lindenmeyr. Slavica Publishers.
- Harrison, Mark. 2016. Myths of the Great War. In *Economic History of Warfare and State Formation*, pp. 135-159. Edited by Jari Eloranta, Eric Golson, Andrei Markevich, and Nikolaus Wolf. Singapore: Springer. (Preprint on my website.) An economist explains why everything you thought you knew about World War I is wrong.

### **5. WW1: Economic warfare and food**

- Hardach, Gerd. 1981. *The First World War, 1914-1918*, chapters 2 (The Allied Blockade of the Central Powers) and 3 (Commercial warfare and the U-boat). Berkeley and Los Angeles: University of California Press.
- Kramer, Alan. 2013. Blockade and Economic Warfare. In *The Cambridge History of the First World War*, vol. 2, pp. 460-490. Edited by Jay Winter. Cambridge: Cambridge University Press.
- Offer, Avner. 1989. *The First World War: an Agrarian Interpretation*. Oxford: Clarendon Press. An economist explains why World War I was all about food.
- Olson, Mançur. 1963. *The Economics of the Wartime Shortage: A History of British Food Supplies in the Napoleonic War and in World Wars I and II*, esp. chapter 1. Durham, NC: Duke University Press. The canonical, must-read explanation of why non-economists consistently misunderstand economic warfare and sanctions.

### **6. WW1: Costs and consequences**

- Broadberry, Stephen, and Mark Harrison. 2005. The Economics of World War I: an Overview. In *The Economics of World War I*, pp. 3-40. Edited by Stephen Broadberry and Mark Harrison. Cambridge: Cambridge University Press. See also country chapter on the United Kingdom by Broadberry and Howlett. (Preprint on my website.)
- Hantke, Max, and Mark Spoerer. 2010. The Imposed Gift of Versailles: The Fiscal Effects of Restricting the Size of Germany's Armed Forces, 1924-9. *Economic History Review* 63:4, pp. 849-864. Two economists explain why Keynes was wrong about the Treaty of Versailles.
- Marks, Sally. 1978. The Myths of Reparations. *Central European History* 11:3, pp. 231-255. A historian explains why Keynes was wrong about the Treaty of Versailles.
- Lopez, Jose A., and Kris Michener. 2018. Uncertainty and Hyperinflation: European Inflation Dynamics after World War I. NBER Working Paper no. 24624. National Bureau of Economic Research, Cambridge, MA.

### **7. WW2: Origins**

- Baten, Jörg, and Andrea Wagner. 2002. Autarchy, Market Disintegration, and Health: the Mortality and Nutritional Crisis in Nazi Germany, 1933-1937. *Economics and Human Biology* 1:1, pp. 1-28. Germany's food problems began before World War II – and were self-inflicted.

- Collingham, Lizzie. 2010. *The Taste of War: World War Two and the Battle for Food*, especially chapters 2 (Germany's Quest for Empire) and 3 (Japan's Quest for Empire). London: Allen Lane. A historian explains why World War II was all about food.
- Overy, Richard J. 1994. *War and Economy in the Third Reich*, chapter 4 (Cars, Roads, and Economic Recovery). Oxford: Clarendon. Was the German recovery driven by public works or by rearmament?
- Van Riel, Arthur, and Arthur Schram. 1993. Weimar Economic Decline, Nazi Economic Recovery, and the Stabilization of Political Dictatorship. *Journal of Economic History* 53:1, pp. 71-105. Why did Germans vote for Hitler in the first place?

### **8. WW2: Mobilization**

- Broadberry, Stephen, and Mark Harrison. 2008. Economics of the two World Wars. In *The New Palgrave dictionary of Economics*, edited by Steven N. Durlauf and Lawrence Blume. Palgrave Macmillan: Basingstoke.
- Fear, Jeffrey. 2015. War of the Factories. In *The Cambridge History of the Second World War*, vol. 3, 94-121. Edited by Michael Geyer and Adam Tooze. Cambridge: Cambridge University Press.
- Harrison, Mark. 1998. The Economics of World War II: An Overview. In *The Economics of World War II: Six Great Powers in International Comparison*, 1-42. Edited by Mark Harrison. Cambridge: Cambridge University Press. See also country chapter on the United Kingdom by Broadberry and Howlett. (Preprint on my website.)
- Harrison, Mark. 2005. Why Didn't the Soviet Economy Collapse in 1942? In *A World at Total War: Global Conflict and the Politics of Destruction, 1939-1945*, pp. 137-156. Edited by Roger Chickering, Stig Förster, and Bernd Greiner. Cambridge: Cambridge University Press. (Preprint on my website.) The Soviet economy ought to have collapsed in 1942, but didn't.
- Harrison, Mark. 2015. Why the Wealthy Won: Economic Mobilization and Economic Development in Two World Wars. In *The Economics of Coercion and Conflict*, pp. 67-98. By Mark Harrison. London: World Scientific. Yes, the wealthy won two World Wars – but the Soviet Union was an exception. (Preprint on my website.)
- Tooze, Adam, and Jamie Martin. 2015. The Economics of the War with Nazi Germany. In *The Cambridge History of the Second World War*, vol. 3, 27-55. Edited by Michael Geyer and Adam Tooze. Cambridge: Cambridge University Press.

### **9. WW2: Conquest and food**

- Collingham, Lizzie. 2010. *The Taste of War: World War Two and the Battle for Food*. London: Allen Lane. A historian explains why World War II was all about food. Read especially chapters 9 (Germany exports hunger to the East), 14 (The Soviet Union -- fighting on empty), and 15 (Germany and Britain -- two approaches to entitlement).
- Kay, Alex J. 2014. German Economic Plans for the Occupied Soviet Union and Their Implementation, 1941–1944. In *Stalin and Europe*, edited by Timothy

- Snyder and Ray Brandon. Oxford: Oxford University Press. An historian explains why the war on the Eastern front was all about killing people.
- Klemann, Hein, and Sergei Kudriashov. 2012. *Occupied Economies: An Economic History of Nazi-Occupied Europe, 1939-1945*, part 3 (Economic Life). London and New York: Berg. An economist and a historian explain why World War II was all about food and killing people. Read especially chapters 9 ("The exploitation of occupied Europe") and 10 ("The hunt for labour").
- Liberman, Peter. 1996. *Does Conquest Pay? The Exploitation of Occupied Industrial Societies*. Princeton: Princeton University Press. A political scientist explains why World War II was not such a good idea . . . or was it? Read especially chapters 1, 2, and 8, and select other chapters for supporting information.
- Tooze, Adam. 2006. *The Wages of Destruction: The Making and the Breaking of the Nazi Economy*. London: Allen Lane, chapter 16 (Labour, food, and genocide). An historian explains why World War II was all about food and killing people.

### **10. WW2: Economic warfare: food and factories**

- Biddle, Tami Davis. 2015. Anglo-American Strategic Bombing, 1940-1945. In *The Cambridge History of the Second World War*, vol. 1, 485-526. Edited by John Ferris and Evan Mawdsley. Cambridge: Cambridge University Press.
- O'Brien, Phillips Payson. 2015. *How the War Was Won: Air-Sea Power and Allied Victory in World War II*, chapter 5 (Understanding the air and sea war), 8 (The war in Europe in 1943: strategic bombing and the land war), and 9 (The war in Europe in 1944). Cambridge: Cambridge University Press. A historian explains why land battles mattered less than you think in World War II.
- Olson, Mançur. 1963. *The Economics of the Wartime Shortage: A History of British Food Supplies in the Napoleonic War and in World Wars I and II*. Durham, NC: Duke University Press. An economist explains why blockades mattered, but not in the way that you think. Chapter 1 (A theory of wartime shortages) gives the canonical explanation; by this point, you should have read it already. In addition, see chapters 2 (Food and fear of war), 5 (World War II), and 6 (Summary and conclusions)
- United States Strategic Bombing Survey. 1945. Summary report (European War). Washington, DC. Economic warfare did matter. (Link from Moodle resources page.)

### **11. WW2: Alliances**

- Harrison, Mark. 1996. *Accounting for War: Soviet Production, Employment, and the Defence Burden, 1940-1945*. Cambridge: Cambridge University Press. Read chapter 6 (The alliance). How much did the Alliance matter for the Eastern front?
- Harrison, Mark. 2016. World War II: Won by American Planes and Ships, or by the Poor Bloody Russian Infantry? *Journal of Strategic Studies* 39(4), pp. 592-598. The Eastern front mattered less than I thought (preprint on my website).

- Lane, Ann, and Howard Temperley, eds. 1995. *The Rise and Fall of the Grand Alliance, 1941-1945*. Basingstoke: Macmillan. The Eastern front, the Soviet Union, and Allies mattered a lot. Read "American Foreign Policy and Lend-Lease" (by Burk) and "The Soviet Economy and Relations with the United States and Britain" (by Harrison – preprint on my website).
- O'Brien, Phillips P. 2000. East versus West in the defeat of Nazi Germany. *Journal of Strategic Studies* 23(2), pp. 89-113. The Eastern front mattered less than you think.
- Olson, Mancur, and Richard Zeckhauser. 1966. An Economic Theory of Alliances. *Review of Economics and Statistics* 48:3, pp. 266-279. The canonical, must-read theory of alliances and burden-sharing.

## **12. WW2: Costs and consequences**

- Eichengreen, Barry. 1996. Institutions and Economic Growth: Europe after World War II. In *Economic Growth in Europe Since 1945*, pp. 38-70. Edited by Nicholas Crafts and Gianni Toniolo. Cambridge: Cambridge University Press.
- Field, Alexander J. 2008. The Impact of the Second World War on US Productivity Growth. *Economic History Review* 61:3, pp. 672-694.
- Harrison, Mark. 1998. The Economics of World War II: An Overview. In *The Economics of World War II: Six Great Powers in International Comparison*, pp. 1-42. Edited by Mark Harrison. Cambridge: Cambridge University Press. See also country chapters by individual authors. (Preprint on my website.)
- Klemann, Hein, and Sergei Kudriashov. 2012. *Occupied Economies: An Economic History of Nazi-Occupied Europe, 1939-1945*. London and New York: Berg. Read chapter 19 (Conclusion).
- Ritschl, Albrecht. 2008. The Marshall Plan, 1948-1951. *EH.Net Encyclopedia*. Edited by Robert Whaples. Available at <http://eh.net/encyclopedia/>

## **13. Cold War: Costs and consequences**

- Capella Zielinski, Rosella. 2016. *How States Pay for Wars*. Ithaca: Cornell University Press, chapters 2 (Truman and the Korean War) and 3 (Johnson and the Vietnam War).
- d'Agostino, Giorgio, J. Paul Dunne, and Luca Pieroni. 2012. Assessing the Effects of Military Expenditures on Growth. In *The Oxford Handbook of the Economics of Peace and Conflict*. Edited by Michelle R. Garfinkel and Stergios Skaperdas. Oxford: Oxford University Press.
- Edelstein, Michael. 2000. War and the American Economy in the Twentieth Century. In *The Cambridge Economic History of the United States*. Vol. 3, *The Twentieth Century*, pp. 329-405. Edited by Stanley L. Engerman and Robert E. Gallman. Cambridge: Cambridge University Press.
- Harrison, Mark. 2015. Coercion, Compliance, and the Collapse of the Soviet Command Economy." In *The Economics of Coercion and Conflict*. By Mark Harrison. London: World Scientific.
- Harrison, Mark. 2017. *Secrecy and State Capacity: a Look Behind the Iron Curtain*. CAGE Working Paper no. 312, University of Warwick. Available at <http://warwick.ac.uk/cage/publications/workingpapers>.

#### **14. Military Keynesianism**

- Field, Alexander J. 2008. The Impact of the Second World War on US Productivity Growth. *Economic History Review* 61:3, pp. 672-694.
- Ritschl, Albrecht. 2002. Deficit Spending in the Nazi Recovery, 1933-1938: A Critical Reassessment. *Journal of the Japanese and International Economies* 16:4, 559-582.
- Smith, Ron P. 1977. Military Expenditure and Capitalism. *Cambridge Journal of Economics* 1:1, pp. 61-76.
- Smith, Ron P. 2009. *Military Economics: the Interaction of Power and Money*, chapter 4 (Military spending: How much is enough?). Basingstoke: Palgrave Macmillan.

#### **15. Alliances and burden sharing**

- Conybeare, John A. C., and Todd Sandler. 1990. The Triple Entente and the Triple Alliance, 1880-1914: a Collective Goods Approach. *American Political Science Review* 84:4, pp. 1197-1206.
- Goldstein, Avery. 1995. Discounting the Free Ride: Alliances and Security in the Postwar World. *International Organization* 49:1, pp 39-71.
- Olson, Mancur, and Richard Zeckhauser. 1966. An Economic Theory of Alliances. *Review of Economics and Statistics* 48:3, pp. 266-279. The canonical, must-read theory of alliances and burden-sharing.
- Sandler, Todd, and Keith Hartley. 1999. *The Political Economy of NATO: Past, Present and into the 21st Century*. Cambridge: Cambridge University Press. Read chapter 2 (NATO burden sharing and related issues).
- Thies, Wallace J. 1987. Alliances and Collective Goods: A Reappraisal. *Journal of Conflict Resolution* 31:2, pp. 298-332.

#### **16. Market power**

- Harrison, Mark, and Andrei Markevich. 2008. The Soviet Market for Weapons. In *Guns and Rubles: the Defense Industry in the Stalinist State*, p. 156-179. Edited by Mark Harrison. New Haven: Yale University Press. (Preprint on my website.)
- Poast, Paul. 2006. *The Economics of War*, Chapter 5 (Weapons Procurement). New York: McGraw Hill/Irwin. (Link from Moodle resources page.)
- Rogerson, William P. 1994. Economic Incentives and the Defense Procurement Process. *Journal of Economic Perspectives* 8:4: 65-90.
- Smith, Ron P. 2009. *Military Economics: the Interaction of Power and Money*, chapter 5 (Force acquisition I, demand: The biggest bang for a buck?). Basingstoke: Palgrave Macmillan.

#### **17. Rent seeking**

- Harrison, Mark. 2014. Capitalism at War. In *The Cambridge History of Capitalism. Volume 2. The Spread of Capitalism*, pp. 348-383. Edited by Larry Neal and Jeffrey G. Williamson. Cambridge: Cambridge University Press. (Preprint on my website.) Big businesses seek rents; do they seek war?
- Higgs, Robert V. 1994. The Cold War Economy: Opportunity Costs, Ideology, and the Politics of Crisis. *Explorations in Economic History* 31:3, 283-312.

Reprinted in Robert V. Higgs. 2006. *Depression, War, and Cold War: Studies in Political Economy*. New York: Oxford University Press. Big businesses seek rents; do they seek war?

Krueger, Anne O. 1974. *The Political Economy of the Rent-Seeking Society*. *American Economic Review* 64:3, pp. 291-303. What is rent-seeking?

Smith, Ron P. 2009. *Military Economics: the Interaction of Power and Money*, chapter 6 (Force acquisition II, supply: merchants of death?). Basingstoke: Palgrave Macmillan. Big businesses seek rents; do they seek war?