

Book Review

Basics of Economy Wars

Ben Brahim Fadwa*

Department of Economics, FSBEI of HE Ufa State Aviation Technical University (USATU), Russia

*Corresponding author: Ben Brahim fadwa, Department of economics, FSBEI of HE Ufa State Aviation Technical University (USATU), Russia, Tel: +21656777436; E-mail: benbrahimfadwa1989@gmail.com

Rec Date: Feb 20, 2019; Acc Date: Mar 15, 2019; Pub Date: Mar 22, 2019

Copyright: © 2019 Fadwa BB. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.

Abstract

The reasons that strengthen the interconnection of the economic and the warrior factors, economies and strategies, cause the increasing role of military-economic knowledge, study of the economy of war, its economic aspects.

The subject of the military economy, as one of the sections of military science, is becoming an ever wider range of problems.

Keywords: Economic; Wars; Strategies; Organization system

Basics of Economy Wars

Military-economic science (military economy) studies economic processes and relationships arising in connection with the preparation, conduct of wars and their localization, prevention. For example, it examines the processes of economic mobilization restructuring, the organization system and the structure of military production, the nature of military needs, and the ways in which they are financed. At the same time, she is interested in the problems of optimizing military production, coordinating (combining) military and civilian production, the conversion of the military sector, determining the size, the dynamics of military costs. Military-economic science is not only the economy of war, but also the economy of disarmament, the search for optimization of the levels of military economic costs [1].

One approach, broader, proceeds from the premise that militaryeconomic science considers the entire system of interrelations and mutual influences between war and the economy, including the issues of managing the economy in war conditions, identifying the causes and nature of wars, as long as they are related to the impact of economic factors.

The other seeks to narrow the sphere of interests of the military economy to the limit. In the opinion of his supporters, the military economy is called upon to deal primarily with the study of supplies and technical organization of the rear, distribution and use of material resources in the interests of the armed forces and the conduct of war.

The presence of extreme positions is to a certain extent explained by the "butt" nature of the wars of the economy, located at the intersection of the interests of a number of areas of knowledge - wars in science, political science, legal disciplines, and closely adjoins other branches of knowledge.

The number of threads and knots connecting war and the economy, in modern conditions has increased dramatically.

The war economy is not only interested in the military sector of the national economy itself (military production branches, industry wars), but also in the functioning of the economy as a whole.For example, the

study of the problem of economic mobilization affects virtually all spheres of the national economy. A number of new, far from simple tasks put problems of management optimization, as well as limited production, financial, human resources. The problem of ecology has become acute [2].

The need to satisfy the military economies of the state in products (goods and services) of material and spiritual production determines the problems of military economics research, which is becoming more and more ramified. As a result, the subject of research on the military economy is the theory and practice of economic support for the military needs of the state.

In wars of economics and in wars of science, the common object of investigation is war. However, the national economy in its interconnection with wars is also an object of studying the wars of the economy.

The results and conclusions of war economics have a direct way to practice. The military economy makes recommendations on the most appropriate economic policy in the field of war economies, in addressing the issues of comprehensive provision of military (defense) tasks [3].

Thus, it can be said that the military economy is the science of the methods, forms and methods of economic provision of armed struggle and war in general, about the principles and methods of effective use of material, financial, human resources for solving problems of national security.

Let us dwell further on the consideration of the wars of the economy as a specific part of the national economy and the problems of economic support for the armed forces.

As already noted, the wars doctrine - the official system of views on the fundamental issues of the preparation and conduct of war - is formed under the influence of economic conditions, contradictions, and opportunities [4].

The war doctrine defines the general direction, priorities, basic provisions for the construction and use of the armed forces, as well as their economic provision in peacetime and wartime. If the nature of the threat changes, the likely nature of military conflicts, accordingly, adjustments are made to the economic preparations of the state, the economic provision of its armed forces.

The specific features of the doctrinal views inherent in a particular country are reflected in the structure of the wars of the economy, the primary development of models of weapons, military technology, and forms of cooperation [5].

For example, England retains a priority in the development of aircraft with vertical take-off (providing maritime communications); Italy is a traditional supplier of armored vehicles for countries with hot climates; conflicting between Turkey and Greece are competing in the creation of missile, artillery ammunition, air defense.

It should also be noted that in recent times the decisive impact on the volumes of production wars, its structure, technological developments has also been possible for export supplies. Wars economy is a specific sector of the national economy, subordinated to the goals of economic provision for the preparation and conduct of war, the interests of meeting the war-economic needs of the state, its armed forces. Usually it is formed even before the war begins and expands, modified with reference to wartime conditions.

The folding and development of the military economy (sector wars) is usually divided and considered in accordance with the individual stages of the war The experience of world wars distinguishes: the initial stage - the period of direct adaptation to the conditions of wars of time; the second stage - the stage of economic mobilization, intensive deployment of military production; the third is the period of further expansion of economic efforts, of exceptional tension, of aggravation of disproportions and contradictions; and finally - the period of conversion of military production [6].

The whole country participates in the economic provision of the armed forces with its social and political system, material and human resources, industry and agriculture, transport and communications, science and culture. However, the military economy is the immediate material basis of the military power of the state. In the most general form, the military economy includes the material, human, scientific, technical and financial resources used to create economic foundations for the war of state power in peacetime and for the economic maintenance of warfare.

The national economy, the economy as a whole, are the mediated material basis of the war. Wars of the economy as an integral part of the national economy of the state are characterized by the basic, fundamental properties characteristic of the entire economy of society.

At the same time, wars, the economy as a special, specific part of the national economy has its very complex structure. Distinguish the following types of structure of modern wars of the economy: functional, reproductive, sectoral and territorial. It includes the following three elements of war production [7].

The first element is the actual war production (SVP). In the SVP sphere, all types of warfare are produced, which directly enters the armed forces and decisively determines their technical equipment and combat readiness.

Actually, military production determines the final results of the production activity of the military economy: the nomenclature, the volume and quality of military products, and its combat effectiveness [8].

The products produced in the actual military production are the final military products. It satisfies the specific needs of society, has a number of features and features compared to civilian goods. The principal difference is in the nature of the use of the final military output. The final military output is used as an immediate material factor of violence during the war, in the process of armed struggle [9-11].

This is its main functional purpose. In addition, it is widely used in the process of combat training of the armed forces in peacetime. Final warfare products are very diverse in assortment and nomenclature. Thus, in the United States, the nomenclature of war goods of destination amounts to several million different names. The second element of the functional structure of the wars of the economy is the production of consumer goods (PPP).

Its functional purpose is to ensure that the items of national consumption reproduce the labor resources of the military economy. The functioning of the wars of the economy is directly related to agricultural production, food and light industries. The complex of these industries serves as the basis for the production of consumer goods, without which it is impossible to support workers who work for the army [12-15].

The third element of the functional structure of the wars of the economy is the production of means of production (PSP) to recover the means of production consumed in military production. PSP for military production is the material basis of the production activity of the military economy.

According to the natural-material form, the products of this sector are in the form of tools and objects of labor that directly or indirectly participate in the production of the final war of production. Modern warfare economy is a major consumer of the means of production.

The process of isolating the production of the final war of products leaves a special imprint on the quality of the means of production. The enterprises of the actual wars (defense) industry use, for the most part, a very complex nomenclature of the machine park, forge-and-press equipment, and control and measuring equipment. Moreover, some types of tools used in the production of the final war of production, in their technological purpose, are unique. They can only be used in military production. Therefore, in the first subdivision of social production, 2 industries (enterprises) are allocated, which specialize in the production of tools for war economy [16-19].

The economics of wars make an increased demand for objects of labor - structural materials, various types of raw materials, fuels and other raw materials and auxiliary materials. Subjects of labor used in the production of the final war of products, to a decisive extent determine its quality, reliability, combat effectiveness. As the scales of economic wars increase, the circle of involved objects of labor is constantly expanding.

The reproductive structure of the wars of the economy finds its concrete expression in the production, distribution, exchange and consumption of intermediate and final war of production. In this sense, the military economy is not only a part of the national economy, but also as a component link of a single process of reproduction of the aggregate social product, labor resources and the corresponding production relations.

The movement of the commodity mass of wars of destination through the phases of social reproduction leads to the emergence within the production relations of special, specific relations and The functional and reproduction structures of the military economy are closely linked. They characterize the totality of the stable links of the military economy with the economy of the state as a whole and. should allow differentiation to carry out measures to develop the wars of the economy.

The branch structure of the wars of the economy characterizes the process of involving the branches of the national economy in the sphere of economic support for the preparation and conduct of war, as well as the processes of specialization and cooperation in military production.

The successful development of modern wars of the economy depends on the high level of development of the basic branches of the national economy (fuel and energy, machine-building, agrarian); as well as branches of actual production wars. Completeness of the sectoral structure of the military economy in decisive extent determines its current and mobilization capabilities in terms of output and nomenclature of the final military output. In terms of its scope, "coverage" of the production of modern weapons, the structure of the military economy can be complete or limited. The complete branch structure of military production is characterized by the fact that it allows in certain volumes to produce types of modern military products [25-29].

This is especially important for the technical equipment (reequipment) of all types of armed forces, maintaining a high degree of their combat readiness. A complete sectoral structure of military production may have states that have significant economic and military economic potential, a high level of development of science, technology, highly qualified scientific personnel and labor resources.

Unlike the full, the limited structure of military production does not allow to develop and produce the entire "set" of modern end products.

The possibilities of war of production are limited to the manufacture of certain types of military products, which naturally complicates the technical equipment of the armed forces, and limits their structure and combat capabilities. However, it should be borne in mind that the limitations are relative.

Evaluation of wars of the state economy on the production of final military products should take into account the possibilities of military-economic integration.

The analysis of its territorial structure is of great importance for understanding the essence of economic wars. It characterizes the location of productive forces and affects the degree of stability (vulnerability) of the national economy as a whole, and the military economy - especially in modern warfare. An analysis of the territorial structure of the military economy can cover wars in the economy of a coalition of states, one state, a separate region of the state.

The territorial structure of the wars of the economy is characterized by relative stability and stability, since it is largely determined by objective conditions, the existing character of the distribution of productive forces, the availability of raw materials and energy resources. Wars of the economy as an objective reality, there are a number of stable, substantial, constantly repeating links that act as laws and

Knowledge of laws and laws of wars in the economy makes it possible to identify the internal contradictions inherent in the wars of the economy, the characteristic features of its development, to determine its strengths and weaknesses. In addition, the study of these laws and regularities is important in determining and concretizing the plans for military development.

patterns of its emergence, development and functioning.

As an objective condition that allows us to identify and formulate military and economic laws, the process of functioning of the wars of the economy, the satisfaction of its war-economic needs of the state, appears. One of the mass phenomena is the production of surplus product for military needs. This objective phenomenon has a stable, constantly repeating character and acts as the law of the origin, development and functioning of the wars of the economy.

The essence of this law is that it determines the division of the surplus product created in society into two parts. One of them is used for peaceful, civil purposes, the other is intended to meet the military needs of society. That part of the surplus product, which is used for wars of needs, in its natural-material form in the overwhelming mass, must differ substantially from the surplus product used for peaceful purposes.

The surplus product for military needs must correspond to the real needs of military production, the nature of the armed struggle. The mass of the surplus product used for military purposes, in turn, determines the scale of production wars, the quantity and quality of the intermediate and final war produced. Under the influence of the law of production of the surplus product for military needs, the functional structure of the wars of the economy is formed. It covers the whole aggregate of military production relations and relations with the economy of the country as a whole, including management relations [30].

Actually, war production (SVP) basically implements the main requirement of this law: it is here that consumer values are created which, in their natural-material form, correspond to the real needs of armed struggle.

On this basis, the proportions are established between military and civilian production, the branch structure of the wars of industry is formed, and the distribution and redistribution of labor, material and financial resources of the state takes place. The scale of production of the surplus product for military needs is determined by the policy of the state, the state of the wars of the economy.

The maximum value it achieves in the conditions of war, when the satisfaction of wars of needs is a primary task of social production.

The effect of this law is the most significant sign on the basis of which it is possible to isolate the military economy in the structure of the national economy of the country, to reveal its differences from the usual, peaceful economy. The process of functioning of the wars of the economy is also connected with the operation of the law of the primary production of the decisive means of armed struggle. The main content of the law is to develop, first of all, those branches of military production that provide the armed forces of the most modern wars with products, Haut du formulaire corresponding to the nature and requirements of the war, which has a decisive influence on the course and outcome of the armed struggle. With the action of this law, the formation of military-technical policy of the state is connected. The war-technical policy is a system of official views and purposeful practical activities of state power and government bodies in equipping the armed forces with weapons and military equipment with the necessary infrastructure, as well as for the disposal of funds withdrawn from combat duty. The development and implementation of military-technical policy is the most important sphere of the state's activity [31].

Military-technical policy as a system is formed by the state's military policy through military doctrine and military strategy. It is called upon: - to determine the needs of war-technical development of the wars of the country's organization; - economically guarantee the technical needs of the military organization; - ensure effective operation and combat use of weapons and military equipment; -Manage the technical and logistics support of wars of organizations.

The objective laws of the wars of economics determine its specificity as a special social phenomenon. Wars economy is also developing under the influence of general and specific economic laws of this mode of production.

The sphere of economic wars in addition, is influenced by the laws of politics and war. As a result of the interaction of the totality of laws, the laws governing the development of economic wars are objectively emerging, which reflect the links between war and the economy, the links between armed struggle and the military economy.

The laws and laws governing the development of economic wars determine, in the final analysis, the principles of war-economic activity, including: - the correspondence of production wars to military needs; optimal development of wars and "civil" production; - the conformity of the organizational forms of military-economic management with the level and conditions of the development of the military economy, the nature, scope and structure of military needs; - the combination of the early creation of inventories in peacetime with the deployment of mass military production with the outbreak of war.

Conclusion

In modern conditions, the relationship between war, politics and the economy has become more solid. The economy became a direct participant in the preparation and conduct of war. Therefore, the national economy must be fully prepared for war, for the economic provision of its armed forces. Deep knowledge of the laws inherent in the military economy, the correct use of the mechanism of their action, the consideration of regularities, affecting the sphere of wars of the economy, greatly contribute to the optimal development of this particular part of the economy.

The basic principles of war-economic activity, if they are consistently guided, can effectively meet the defense material and financial needs of the state, reliably economically provide the armed protection of the country.

References

- 1. Baker D (2007) The Economic Impact of the Iraq War and Higher Military Spending. Centre for Economic and Policy Research.
- 2. Brauer J, Tepper-Marlin J (2009) Defining Peace Industries and Calculating the Potential size of Peace Gross World Product by Country and Economic Sector. Institute for Economics and Peace, Sydney.
- Cosgrove-Mather B (2009) Poll: Worries Over War And Economy. CBS News.
- Daggett S (2010) Congressional Research Service: Costs of Major U.S. Wars. Federation of American Scientists pp:1-8.

- Michael E (2000) War and the American Economy in the Twentieth Century. In: Engerman SL, Gallman RE (Eds) The Cambridge Economic History of the United States. Cambridge University Press, Cambridge, US, pp: 329-405.
- 6. Garrett-Peltier H, Pollin R (2009) The U.S. Employment Effects of Military and Domestic Spending Priorities: An Updated Analysis, Political Economy Research Group (PERI), University of Massachusetts.
- 7. Higgs R (2006) Depression, War, and Cold War: Studies in Political Economy. Oxford University Press. New York.
- 8. Institute for Economics and Peace (2011) Structures of Peace, Research Brief.
- Labonte M (2004) CRS Report for Congress: Financing Issues and Economic Effects of American Wars, National Defense University Library, pp: 1-20.
- 10. Madrick J (2008) Is War Good for the Economy?. Huffington Post.
- 11. Poll:71 percent think Iraq spending hurts economy (2008). CNN Politics.
- Anyiro CO, Oriaku BN (2011) Access to and Investment of Formal Micro Credit by Small Holder Farmers in Abia State, Nigeria. A Case Study of Absu Micro Finance Bank, Uturu. Agric Econ.
- 13. Tolosa N (2014) Performance of Loan Repayment Determinants in Ethiopia Microfinance An Analysis. 7-29-49.
- 14. Melese M (2013) Impacts of Microfinance Institution on the Living Condition of Rural Women: A case study on the Oromia Credit and Save Share Company in ShirkaWoreda, Oromia Region. St. Mary's university, Ethiopia.
- 15. Belay A (2012) Financial sustainability of Microfinance Institutions (MFIs) in Ethiopia.
- Birhanu G (2016) The Role of Microfinance Institutions in Reduction of Unemployment. Unpublished MA Thesis, Wollega University.
- 17. Ziaul HM (2014) Microcredit, household livelihoods and community capacity: case study from Bangladesh. Pacific University, Asia.
- OCSSCO (Oromia Credit and Saving Share Company) (2017) Annual performance Report. Gedo, Ethiopia.
- Ebisa D, Getachew N, Fikadu M (2013) Filling the breach: Microfinance. J Bus Econ Manag 1: 010-017.
- George O (2009) Is micro-finance achieving its goal among smallholder farmers in Africa. Int Conf Agric Econ pp:16-22.
- 21. Laura B, Gloria M (2005) Evaluating the impact of conditional cash transfer programs. 20: 29-55.
- Fitsum, Holden (2005) The Impact of Credit on Changes in Welfare of Rural Households: Empirical Evidence from Northern Ethiopia. Norway.
- Asmelash H (2003) The Impact of Microfinance in Ethiopia: the case of DCSI in Ganta Afeshum Woreda of Eastern Tigray. MA. Thesis, Ethiopia.
- 24. Feleke B (2011) Impact of microfinance services on household income: The Case of Digaf Micro Financing Company. Ethiopia.
- Firafis D (2016) Impact of Credit Rationing and Repayment Problems in The Case of Ambo Woreda Eshet Microfinance Institution. Int J Afr Asian Stud 4: 51-68.
- 26. Taye C (2014) The Impact of Microfinance Financial Services on the Economic Empowerment of Women: The Case Study of wisdom Micro Financing Institution. St. Mary's University, Ethiopia.
- 27. Yilkal W (2016) Impact of Microcredit Programs on Female Headed Households in Jimma Zone, Ethiopia. Int Journal Sci Res Publ.
- Kebu C (2017) Assessment of result oriented performance of microfinance institutions: The Case of Cheliya District West Shoa Zone. BA. Unpublished Thesis, Rift Valley University.
- 29. Cheliya District Agricultural Office (2017) Annual report. Cheliya, Ethiopia.
- Heckman J, Ichimura H, Toddi P (1998) Matching as an Econometric Evaluation Estimator. Rev Econ Stud 65: 261-294.
- 31. Mohammadreza H (2006) Principles and Concepts in Geopolitics. Tehran: PAPLI.