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► **To cite this version:**

Jacques Fontanel. The consequences for peace of the underlying ideologies of economic and management sciences. 10th International Conference, Mahatma Gandhi Center for Conflict Prevention and Management; Acharya Bangalore Business School (ABBS); Binghamton University, USA, Aug 2021, Bangalore, India. hal-03315790

**HAL Id: hal-03315790**

**<https://hal.univ-grenoble-alpes.fr/hal-03315790>**

Submitted on 5 Aug 2021

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# The consequences for peace of the underlying ideologies of economic and management sciences

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Bengalure, 5 Août 2021

Wars and the threat of war remain constant realities in our societies, and the twentieth century has been particularly rich in deadly conflicts. However, the neoclassical current still assumes, never discussed as if it were self-evident, that international trade is a factor of peace; when states cannot and should not intervene in the national economy, they are no longer in a position to wage economic war. With the slogan "America first" inspired by mercantilism and government-controlled Chinese capitalism, the domination and demonstration effects of states obviously change the conditions of the international market economy. Moreover, short-term self-interest is not compatible with the need to collectively save the planet Earth in great danger. Capitalism reveals its flaws, especially in the fields of ecology, environment, climate, but also in the unbearable inequalities of income and power between countries or between citizens.

Les guerres et les menaces de guerre restent des réalités constantes dans nos sociétés et le vingtième siècle a été particulièrement friand de conflits meurtriers. Pourtant, le courant néoclassique émet toujours l'hypothèse, jamais discutée comme s'il s'agissait d'une évidence, que le commerce international est un facteur de paix. Lorsque les Etats ne peuvent et ne doivent pas intervenir dans l'économie nationale, ils ne sont plus en mesure d'engager une guerre économique. Avec le slogan "America first" inspiré par le mercantilisme et le capitalisme chinois contrôlé par le gouvernement, les effets de domination et de démonstration des Etats modifient évidemment les conditions de l'économie de marché internationale. De plus, l'intérêt personnel de court terme n'est pas compatible avec la nécessité de sauver collectivement la planète Terre en grand danger. Le capitalisme révèle ses failles, notamment dans les domaines de l'écologie, de l'environnement, du climat, mais aussi dans les inégalités insupportables de revenus et de pouvoir entre pays ou entre les citoyens.

Peace, War, economics, management sciences  
Pais, Guerre, Economie, science du management

**The consequences for peace of the underlying ideologies  
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In the usual dictionaries, war is defined as "the use of armed force" in a conflict situation. With surprise, they define peace mainly as "the absence of war". These definitions highlight the endemic permanence of wars and the historical force to threats of armed conflict. War has always been an instrument of predation and power.

- Heraclitus considered that "war is the father of all things".

For Thomas Hobbes, "men are naturally in conflict with each other".

Internally, states have the vocation to settle the conflicts of their citizens through laws and, externally, to protect them by developing armed forces intended to dissuade their potential enemies. They take up the old principle of "Si vis pacem para bellum". Wars and threats of war remain constant realities in our societies and the twentieth century was particularly fond of deadly conflicts.

At the beginning of scientific economic thought during the sixteenth century was mercantilism. For mercantilism, war is an instrument like any other to ensure the power of the Prince, notably through the search for economic autarky and economic independence from other country. They accept slavery and racist laws.

On the contrary, for Montesquieu, the market economy is a factor of peace, because the growth of international trade makes all economic actors interdependent.

Friedrich List challenged these analyses by considering that free trade can only be adopted when all states are constituted within their natural borders and when they have equivalent political and economic power. The

effects of domination by one country over another prevent free trade from being truly free, which is a cause of conflict and war.

For Marx, the class struggle (the bourgeoisie against the proletariat) constitutes an essential factor of capitalism, leading ineluctably to the relative and absolute impoverishment of the proletarians with the phenomenon of pauperization. The imperialist wars are only the ultimate avatars of the class war.

These four types of analysis are, in sometimes slightly different forms, still relevant in modern economic thought. Today, economists have always opposing conceptions on the peaceful interest of the market globalization.

For the neoclassical mainstream, peace is a strong hypothesis, seldom discussed, never included in their analyses. The conditions for liberal peace do not relate to equality, but to fairness while respecting competition and everyone's effective productive contribution. To agree with this proposal, three basic postulates are required.

- First, the growth of international trade is a factor of peace, which is supposed to be the normal situation of the market economy.

- Secondly, improving the knowledge of economics promotes economic development and justifies, without any conflicts, the incomes of each economic actor.

- Finally, growing economic interdependence tends to reduce government intervention in the economy. Therefore any manifestation of "economic war" is only a political decision against anti capitalist societies.

The theory of democratic peace supports the rise of multilateral organizations, which are presented as the fundamental instruments of market globalization. Indeed, they create an international environment favourable to the freedom of trade and the democratization processes of countries. To improve the fluidity of political, diplomatic, economic and strategic exchanges, States have set up international organizations such as the United Nations

Organization, the World Trade Organization or the International Monetary Fund, intended to regulate commercial and diplomatic exchanges and to settle disputes and conflicts between States.

Moreover, the rapid and permanent economic development of the great capitalist powers leads underdeveloped national economies to engage, by imitation, new democratic rules in their countries. With the development of trade, the considerations linked to economic interdependencies become too strong for conflicts to arise.

After the collapse of USSR, economic globalization was supposed to produce greater solidarity between nations, to increase productive efficiency, and to promote the economic development of all national economies. Francis Fukuyama spoke about “the end of History”.

Three decades later, international tensions have not diminished. History has shown that economic interdependence is not a guarantee of world peace. States retain their sovereignty and armed conflicts have sometimes broken out between members of the same international organizations.

### **Wars and crises marked the history of capitalism since its origins.**

Economic and financial crises have often resuscitated state economic protections and nationalist sentiments. Donald Trump, as President of the United States, wants to return to a more political and mercantilist conception of economic policy, expressed by the slogan "America first".

- For economists of Marxist inspiration, the class struggle has not disappeared. International tensions are rooted in the fundamental contradictions of the capitalist system. In other words, the conflicts and the struggle of classes and nations are inscribed inside the heart of capitalism. There may be temporary peace, but excessive exploitation and injustice inevitably lead to social conflicts and civil wars.

China's economy represents state capitalism rather than a socialist market economy. The state runs a large number of state-owned enterprises. Behind a global management geared towards export and international trade, it is developing a new mercantilist policy. State-owned enterprises are indirectly protected from foreign companies and exporting companies are clearly supported by monetary policy. In principle, the Chinese government manages these companies in the same way as private companies, including dividends. However, a great opacity of information and the control of the political and economic management of the country allow the government to intervene directly on all the sectors of the national economy. It operates it within the framework of an organisation that tends to develop a world leadership in strong competition with the American model which is itself strongly competitive, in particular in the search for the monopoly of the hardware and software information technologies.

- Many economists highlight the domination of developed countries, to the detriment of poor people and the excluded nation to richness. The military conflict is replaced by the economic competition, which is first and foremost a problem of power expressed in all dimensions of social and cultural life. Under these conditions, for the dominant States, the conquest of markets in all countries can be preferred to the interest of a territorial invasion without military armaments. It is a permanent war for richness, waged by powerful nations and their companies, in order to obtain a share world production more favourable to their national or private interests. The resurgence of protectionism and trade wars between major regional blocs is to be feared.

- In the same way, Robert Reich, recommend that a country must be driven like the business of an enterprise. "Wild" globalization is leading to inevitable disintegration of national economies and risks increasing insecurity and impoverishment. Through an adapted industrial policy, USA must be the arbiter of a new globalized economy, in the framework of a "controlled" international peace based on

democracy and freedom, secured by a strong military power. In this concept, it's about getting the world leadership of a country, the USA.

The power relations of the United States are all the more effective today, as the process of globalization has made most multinational companies dependent on American laws, thanks to their extraterritoriality. Economic war and military power threatens are used for the interest of USA. This policy demonstrates that economy is still a cause of war, a means of armed conflict and an efficient arm against “rogue states” and their friends. By their detractors, globalization is a factor in the privatization of states and American hegemony. Political democracy is now replaced by a plutocracy that indirectly runs the economic life of countries, relying on a supposedly democratic process that their information organs control.

Many countries do not hesitate to apply the policy of "beggar thy neighbor", which allows a country to develop at the expense of its allies. Tax havens are getting richer at the expense of countries that are victims of illegal or secret procedures, which lead states to increased public debt or a decrease in the quality of their infrastructure.

Moreover, economic factors are violent weapons against those who do not comply with the principles laid down by international organizations. They highlight a political or strategic disagreement with a country and they indicate the means to eliminate its effects. For instance, no organization can prevent a state from suspending economic aid to the least developed countries.

"Economic warfare" includes oblique weapons, such as embargoes, boycotts, freezing of assets, "malware", secondary sanctions and above all economic blockades.

States declare to engage in coercive economic procedures in order to force the target country to renounce a political or military action deemed unacceptable, such as the annexation of Crimea by Russia.

The use of these weapons is particularly sensitive, as they are not without risk to the user. The strategies of

international punishment such as the direct sanctions intended to condemn Iran's nuclear armament efforts and the "secondary" sanctions against all economic actors with commercial relations with Tehran, are violent and sometimes lethal retaliatory actions. This strategy of disruption has the direct objective of political regime change in the target country.

For the political economy of humanitarianism, the search for satisfaction of needs presupposes collective action, undertaken by the public sector or by NGOs, with a view to reducing poverty, improving the living conditions of each and ensuring dignity and human's security. For François Perroux, the fundamental objectives of any economy are of feeding people, caring for people and freeing slaves. Amartya Sen analyses "entitlements" as the fundamental indicator of the economic development of a society. Globalization will become a fruitful process only if it is able to resolve the issues of employment, living conditions, precariousness and solidarity between states and citizens.

However, peace is still threatened by divergent economic, political and sometimes religious interests. The economic peace of liberalism is still unattainable. In the early 1970s the Club of Rome report "Limits to Growth" was a first reminder of the fragility of Earth.

Demographic pressure, land depletion, climate change and economic inequalities are leading to the appearance of new scarcities. This situation favours social and international tensions, with probable warlike outlets and domination effects. All countries will be concerned, as migration, religious or ethnic conflicts and social violence will forcefully invite themselves into the human history of the XXIth century.

Today, some ecological catastrophes are announced on the earth life. War or the threat of war forces a re-evaluation of the current economic model and shows the need to adopt new norms that are particularly difficult to apply in a capitalist system. Capitalism is lived as a matter of course, but it is beginning to reveal its shortcomings, particularly in



the areas of ecology, the environment, the climate, but also in the inequalities of income and power between countries or in relation to a group of industries.

The question of the relationship between the economy and war is often answered ideologically, far from the human realities of our time. Today, the emergence of conflicts and wars concerning the threatening evolution of global warming can lead to vast areas of migration and the appearance of increasingly violent conflicts between states, without a process of positive negotiation at the global level to regulate the dangers that weigh on the planet Earth.

Economics has overshadowed the political economy. Economic crises remind us that the economy is also political and that the great theories cannot overshadow the reality of human life.

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