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The Political Economy of War and Peace

I. International political economy assessment of War and Peace

The political-economic approach to understanding war and peace places the main emphasis on the role of: constitutions, governance, legal systems, bureaucracies. These institutional factors influence: the motives, opportunities and constraints faced by political actors.

Let us consider certain institutional and political factors that create the fundamental conditions for the emergence of conflict. According to the theory of social conflict, societies choose different political courses, some of which are disastrous for their citizens. Such decisions are often taken with the aim of maximising their own benefit, rather than meeting the needs of society. It is quite clear that an extremely bloody and destructive war is undesirable from the point of view of the citizens of both countries.

However, from the dictator's point of view, it has a certain positive effect. In international political economy (IPE) there are three main scientific approaches: liberalism, realism, and Marxism concerning war and peace.

The liberal school of thought on war and peace includes: liberal pacifism, liberal imperialism, liberal internationalism. Liberal pacifism. In his work 'The Sociology of Imperialism' (1919), J. Schumpeter highlighted the non-aggressive nature of liberal institutions and principles: the free market, human rights, the protection of private property.

Unlike his predecessors, who focused on trade, he demonstrated the interconnection between capitalism and democracy, which forms the basis of liberal pacifism. Liberal imperialism, in the context of the MPE, has its roots in the political doctrine of N. Machiavelli (1469–1527), who is also regarded as one of the leading exponents of realism (economic nationalism, neo-mercantilism). The essence of his concept lies in the fact that free republics are not peaceful, but represent the finest form of imperialist expansion. Moreover, imperialist expansion is a guarantee of a country's survival.

The theoretical and methodological foundations of liberal internationalism were formulated by I. Kant and comprise the following elements: liberal wars, reliance on international law, the relationship between financial incentives and moral obligations. According to Liberal internationalism Liberal wars are possible, at first, if such wars help to forge liberal alliances against liberal forces enemies.. Second. To prevent war between liberal states themselves and between liberal and illiberal countries, we must rely not on constitutional law but on international law. Third. Material incentives and moral obligations will foster a 'spirit of commerce'. Sooner or later, countries become imbued with this spirit, which encourages them to maintain peace rather than start a war.

Economic factors are placed on the international division of labour, trade based on comparative advantages, the avoidance of autarky, the use of reasonable prices, and the assurance of mutual security in a context of interdependence. Liberal internationalism is noted that Kant's theory is not: purely institutional, exclusively ideological or merely

economic. Provided these components are combined: liberal institutions, liberal ideas, transnational links, a liberal economy and politics can ensure lasting peace. At the same time, liberal countries are aware that they exist in an anarchic world and do not rule out war with illiberal countries.

Realism (neo-mercantilism). This strand of international relations theory is predominantly associated with the American school (Hans Morgenthau, Kenneth Waltz). Two key principles define the nature of international relations, including issues of war and peace.

1. There exists an anarchic world system in which the strongest prevails, issues of war and peace are resolved on the basis of power, a country's primary objective is to maximize its power, and it is a zero-sum game.

2. The concept of hegemonic stability, under which the hegemonic state, through its economic and military power, ensures a certain global political, economic and military equilibrium. The balance of power in bipolar and multipolar systems is regarded as the primary source of peace in realist theory. It is expected that actors in such a system will deter one another from attacking (the 1962 Cuban Missile Crisis). In this context, the following are also utilized: economic, institutional, and diplomatic means. As early as the 1990s, realists noted that in an anarchic world system there is no overarching authority capable of preventing others from using violence or the threat of violence (e.g. Iraq, Libya, Ukraine, Iran).

This proposition remains one of the key tenets of realist international relations theory. Changes brought about by force occur in both domestic and foreign policy, and both may be the result of a policy based on the use of force. There are several examples: the two world wars, Korea, Vietnam, military coups in Myanmar, in African countries (Mali, Niger, Sudan). Proponents of defence realism see the main task as being for a state or group of states (NATO) to provide a defensive counterbalance to any rising power (China). War, in their view, is the result of either an overreaction or a miscalculation. Political and economic factors are also taken into account namely competition and socialisation. Competition shifts rivalry into the economic sphere, thereby mitigating military confrontation. Socialisation is achieved through the deepening of globalisation and the formation of international transcontinental alliances (the Asia-Pacific Economic Cooperation – APEC; the Trans-Pacific Partnership, etc.)

Marxist conflict theory views society as divided into two classes: the working class, the proletariat, and the ruling class – the bourgeoisie. Social and economic institutions serve as instruments in the struggle between groups or classes to maintain inequality and the dominance of the ruling class. Marxism is not pacifism, but peace can be achieved by eliminating the social basis of war. The role of the working class is key here. Through international solidarity amongst the working class, it is possible to curb: the forces of war, militarism and imperialism (Marxism and Peace, Published on 9 July 2024/by

G.Martin

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F.Brown.

<https://www.socialistalternative.org/2024/07/09/marxism-and-pe.ace/>).

Chinese President Xi Jinping has stated that China is 'a builder of world peace, a driving force for global development and a defender of the international order' (https://www.globaltimes.cn/page/202412/1325621.shtml#:~:text=The%20Chinese%20nati on%20has%20a,plowshares.)).

II. The Political Economy of Conflict Resolution and Peacemaking: Liberalism, Realism, Marxism

Liberalism.

From a liberal perspective, peace is the ultimate goal and interest of every state. Within the framework of the liberal world order, several models or generations of peace-building are identified: conservative model, orthodox model, emancipatory model. Each model of a liberal peace emphasizes specific objectives, approaches and means of building peace (Peace Research Institute Frankfurt. *The European Union Peacebuilding Approach*. <https://www.jstor.org>).

The conservative model of liberal peace focuses on ‘top-down’ approaches. These are aimed at guaranteeing security and sovereignty as the foundation for state-building. Peace is, as a rule, imposed by military force and maintained through coercive measures and dependency. The model emphasises the provision of security, which is regarded as a prerequisite for peace. In the orthodox model of the liberal world, attempts to build institutions geared towards market relations, following a ‘top-down’ approach, predominate. In this model of peacebuilding, negotiations at the elite level predominate.

At the same time, it is proposed that citizens be involved in the peace process.

Greater emphasis is placed on local ownership and engagement with civil society. In this model, security and the institutions that guarantee order are regarded as essential factors for achieving lasting peace. Finally, the emancipatory model of a liberal world focuses on: emancipation, issues of identity and sovereignty, local cultures, social justice, human security and well-being.

This approach emphasises the local level and criticises strategies of coercion, conditionality and dependency, which are imposed from the top down. The emancipatory model favours a ‘bottom-up’ approach, focusing on the needs and rights of local communities.

In the EU, peacebuilding lies between orthodox liberal peacebuilding and emancipatory peacebuilding. According to liberals, lasting peace rests on three pillars: democracy, economic interdependence, international organisations. Different models of a liberal peace can be combined in different contexts and may be applied to varying degrees, depending on the priorities and approaches of both external and internal actors.

The presence of each model may also depend on the specific phase of the conflict cycle. Realism. Three groups of researchers examine armed conflicts and ways of bringing them to an end: Futurists, institutionalists, traditionalists (Amos C. Fox. March, 8, 2023. Conflict Realism: A New School of Thought for Examining the Future of Armed Conflict. <https://thestrategybridge.org>).

Futurists – the prophets of technology – promise that applied science will make future armed conflicts: more precise, less expensive, more indirect and less destructive.

As a result, the futurist perspective is already attracting attention today.

The enthusiasm in the US for technological progress and for solving problems through technology has led to futurists de jure becoming a group at the forefront of almost all contemporary discussions about future armed conflicts. Traditionalists are the antithesis of futurists. They are often well-versed in history, military theory and military doctrine. Looking to the future, they seek precedents in the past. So, traditionalists have repeatedly clashed with futurists.

Traditionalists: the nature of armed conflict is immutable and unchanging.

Futurists: the latest technologies influence the nature of armed conflicts. Applying Clausewitz's ideas to almost every conceivable situation, such as the Russian-Ukrainian war or cyberwarfare, is a clear sign of a traditionalist.

Nevertheless, traditionalists are useful for the study of armed conflicts, as they provide a foundation for futurologists by offering historical and theoretical context. Institutional thought reflects both political and everyday idealism, as well as strategies for investing organisational capital. Institutionalists advocate ideas and tools that reinforce professional or organisational priorities.

Due to their self-referential nature (referring to themselves), institutionalists do not attach great importance to ideas that do not align with the narratives and cultural prerogatives of their organisation. Around the World there are The Peace Academy, a number of institutes for the study of war and peace. Furthermore, institutionalists tend to regard those who hold non-institutional views within their organisations as disloyal.

The value of institutionalists lies in their bureaucratic approach to modernisation, under which their organisations do not invest too heavily in new material solutions. On the other hand, institutionalists take an uncompromising stance towards those who, in their view, do not align with their organisation's priorities. Marxism. China's Position on a Political Settlement of the Ukrainian Crisis' (also known as 'China's Peace Plan') is a document published on 24 February 2023 by the Ministry of Foreign Affairs of the People's Republic of China.

It sets out the Chinese authorities' view on a peaceful resolution to the Russian invasion of Ukraine (<https://chinadaily.com.cn>). The document, often referred to as the "plan", does not contain any specific measures and consists of previous statements by the Chinese authorities regarding compliance with international law. The document comprises 12 points, which can be summarised as follows:

1. Respect for the sovereignty, independence and territorial integrity of all countries, and the primacy of international law without double standards.
2. Rejection of the 'Cold War mentality', respect for the security interests of individual countries, and rejection of the strengthening and expansion of military blocs.
3. A ceasefire.
4. The commencement of peace talks.
5. Resolution of the humanitarian crisis.
6. Protection of the civilian population and prisoners of war in accordance with international humanitarian law.
7. Ensuring the safety of nuclear power stations.
8. Mitigating strategic risks and preventing the use of chemical, biological or nuclear weapons.
9. Guarantees for grain exports under the Black Sea Grain Initiative.
10. Refraining from unilateral sanctions.
11. Ensuring the stability of production and supply chains to safeguard the global economy.
12. Assistance with Ukraine's post-war reconstruction.

The Ukrainian authorities responded to China's initiative with restraint and diplomacy, welcoming the proposals themselves but noting the absence in the document of conditions critical to Ukraine, such as the withdrawal of Russian troops.

There is also common or neutral approach concerning peace building. For example, the Peace Wheel is a model for peace-building developed by the 'Pathways to Peace' programme and implemented over the last 25 years (Fig. 1).



Figure 1. Pathway to Peace

It consists of eight sectors, or 'pathways', which are interconnected and symbolize different approaches.

The eight pathways recognize and engage all people as peacemakers.

These pathways transcend: national, ethnic, racial, religious, age, identity or gender differences. They are common to every society (<https://pathwaystopeace.org/who-we-arewhat-we-do/>).

III. Peacemaking and conflicts resolution

Peace and war have global dimensions because, in today's world of increasing interconnectedness and interdependence between countries, regions and ordinary citizens, they have an impact on every corner of the planet. Wars are generally regarded as a 'social evil'. They affect everyone directly or indirectly – either through the collateral effects of war or through preparations for a possible war. Russia's full-scale invasion of Ukraine in 2022 triggered a significant recession in global economic growth (Fig. 2).

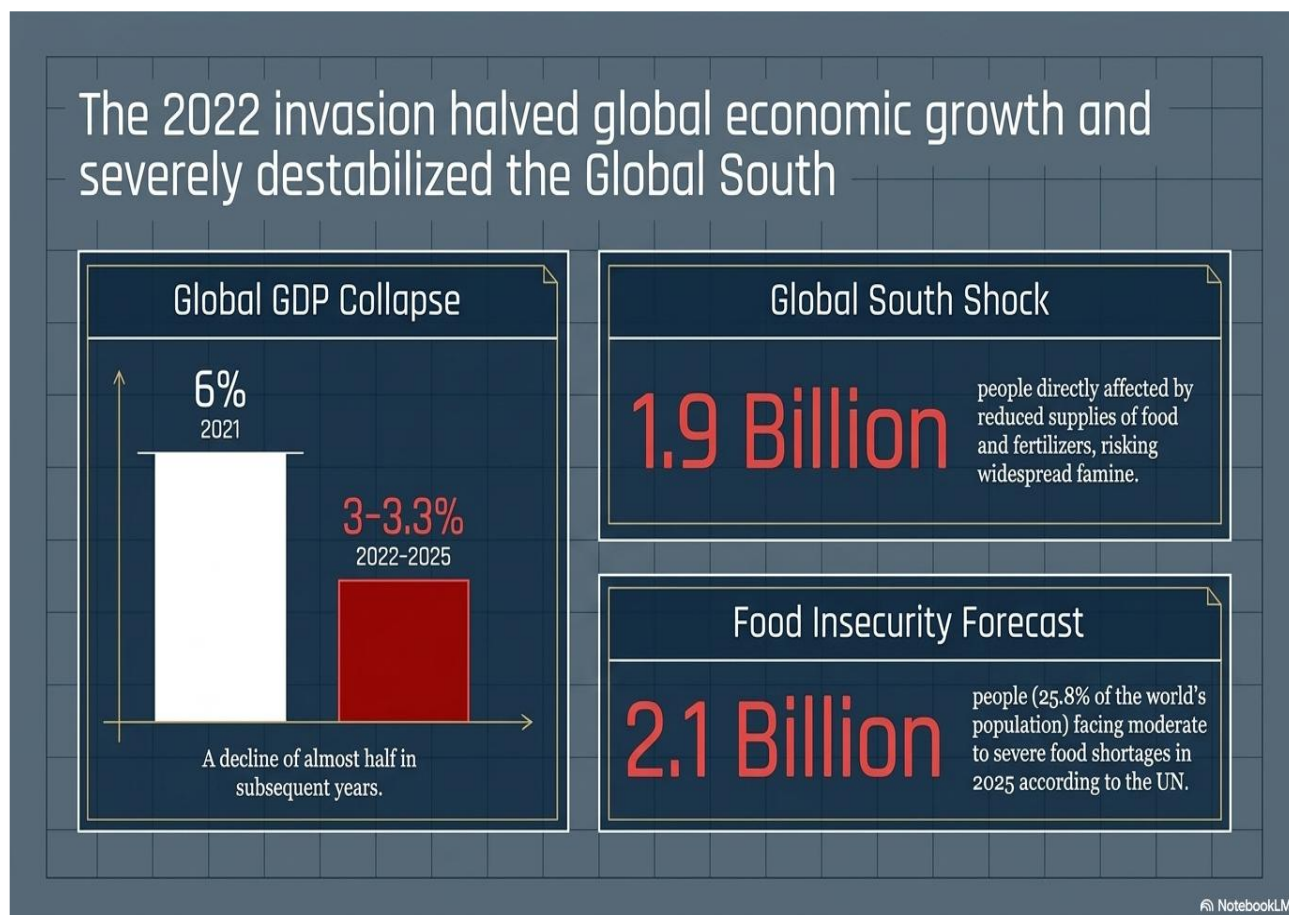


Figure 2. Russian invasion to Ukraine and its consequences

Global GDP growth stood at 6 per cent in 2021, falling to 3–3.3 per cent in the subsequent years of 2022–2025 – a decline of almost half. The Russia–Ukraine war affected 1.9 billion people in the Global South due to reduced supplies of food and fertilizers, which could have led to famine in a number of countries. The war waged by Israel and the US against Iran in the Middle East has disrupted supplies of oil and natural gas between countries and regions, leading to price rises not only for these resources but also for related goods and services.

The current energy crisis is being compared to the crisis of the 1970s. The International Monetary Fund has revised its previous forecast for global GDP growth in 2027 downwards by 0.2 per cent. Oil prices have reached \$100–120 per barrel, which is 50–65 per cent higher than in the previous period, whilst fertilizer prices have risen by 30 per cent. Inflationary pressures are mounting, energy companies are incurring losses, and logistics networks are being disrupted. The two world wars were unquestionably a social evil, and since the end of the Second World War, around 250 wars and armed conflicts have been recorded to date. At the same time, advocates of war have, in their own way, explained its necessity and even its inevitability. For instance, in the Middle Ages, N. Machiavelli argued that free republics are not peaceful, but rather represent the finest form of imperialist expansion. Moreover, imperialist expansion is a guarantee of a country's survival. Historical examples were close at hand. The Achaemenid Persian Empire (6th–4th centuries BC), the empire of Alexander the Great (334–323 BC), the

Roman Empire (27 BC –395 CE), the Arab Caliphate (632–1258), and the Mongol conquests (13th–14th centuries)- Fig. 3.

Machiavelli's Assertion: Imperial expansion guarantees survival.



250 Wars

Since the end of the Second World War, despite universal acknowledgment of war as a social evil, approximately 250 armed conflicts have occurred.

Figure 3. Machiavelli's Assertion

To this list should be added the colonial empires of the modern era: Great Britain, France, Belgium, the Netherlands, Portugal, Spain, Austria-Hungary, Russia, and so on.

Later, Clausewitz's famous phrase—that war is the continuation of politics by other means—inspired warmongers throughout history, including the current imperialist, chauvinist regime in Russia.

It goes without saying that peace is a public good. The pursuit of peace has been a timeless endeavour, at least as something that is to follow war. At the same time, Immanuel Kant put forward the idea of perpetual peace, which remains the theoretical and methodological foundation of modern concepts of peacemaking. Right at the beginning of his work “Towards Perpetual Peace: A Philosophical Sketch, 1795”, Kant criticises rulers who are prepared to use any means to strengthen the power of the state. His warnings that no state may annex another state or its territory, or forcibly interfere in its political system and governance, remain relevant today (Kant, 1795, pp. 250–252).

A fairly common call is for a proposed agreement on a peaceful union of nations amongst themselves, the creation of a federation in order to put an end to all wars once and for all. The only legal status for states that is compatible with their freedom is a federation aimed at eliminating war. This assertion applies to the European Union, which is not formally a federation, but not to a federation of the Russian type. Kant placed great hopes in the development of culture and mutual understanding between different peoples and religions, which could lead to peace, balance and healthy competition.

However, these calls remain merely hopes for the time being, as the war in the Middle East is one manifestation of the acute clashes between Western and Islamic civilisations, the origins of which are thoroughly described in S. Huntington's work ‘The Clash of Civilisations and the Remaking of World Order’ (Huntington, 1998). Kant

attached great importance to the economic factors of peacemaking. 'The spirit of trade, which sooner or later takes hold of every nation,' Kant observes, 'is something that cannot coexist with war' (Kant, 1795, p. 282).

States derive benefits from trade; they are obliged to promote a 'noble' peace and, wherever the threat of war arises, must prevent it through their mediation. Kant's statement that a fighting spirit ensures peace could be addressed directly to our defenders on the front line. Perpetual peace, Kant concludes, is not an empty idea, but a task whose solution is achieved gradually and is constantly drawing nearer to realisation.

In the current discussions regarding a future peace agreement between Ukraine and Russia, Kant's words ring out prophetically: that 'no peace treaty should be regarded as such if, behind its conclusion, the foundations for a new war are secretly being laid' (Kant, 1795, p. 249).

In paragraph 3 of the preliminary articles of the Treaty of Perpetual Peace, Kant put forward an idea that gained prominence in the last century, namely that 'standing armies (miles perpetuus) must, in time, disappear entirely' (Kant, 1795, p. 251). The peace initiatives of the 20th century, led by J. Bernal and others, were aimed at general and complete disarmament; the World Peace Council and peace councils in a number of countries remain active to this day, and the UN's primary task is to ensure peace, yet not only has it failed to put an end to wars and conflicts, but these are escalating, and our country is suffering the most. Thus, Kant warned against the build-up of troops and armaments, and against the competition between countries in this sphere, which is taking place in the present day.

In response to the potential threat from Russia, European countries are increasing defence spending and cutting social expenditure, thereby exacerbating the socio-political situation to the benefit of right-wing and nationalist forces. Similar processes are taking place in other regions of the world.

In the light of Kant's ideas, we propose the following hypothetical scenarios. Upon the conclusion of the Russian-Ukrainian war, launch a global movement for nuclear disarmament. At the same time, implement measures to reduce conventional armaments. Upon achieving positive results in the field of nuclear disarmament, establish a modern peacekeeping force under the auspices of the UN, which in terms of its capabilities should surpass any army or coalition of armies in the world (Fig. 4).

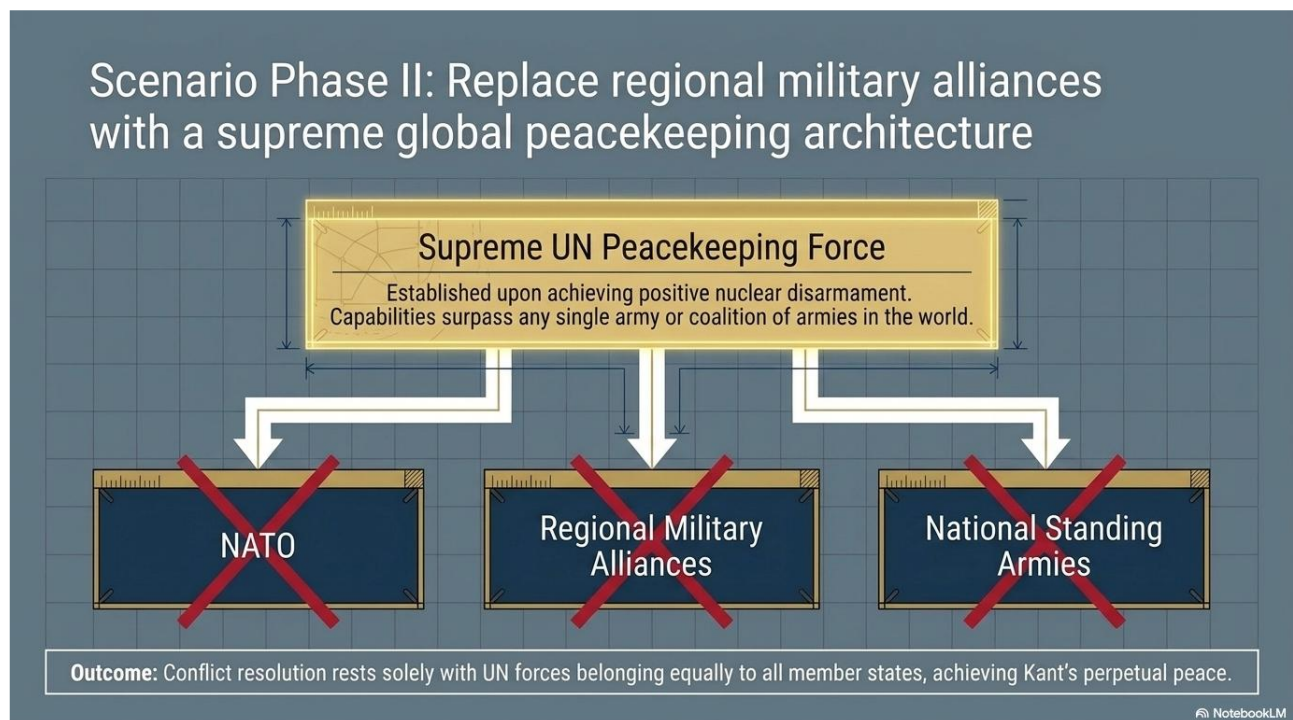


Figure 4. Replace of regional military alliances

Under such circumstances, there would be no need for any military alliances, including NATO. Conflict resolution would rest solely with the UN peacekeeping forces, which belong to all member states of the organisation. Perhaps the realisation of such a scenario could bring us closer to Kant's idea of perpetual peace.

A proposal for a formula to end the Russian-Ukrainian war.

Given the complete failure of previous agreements under the Minsk Accords, dating back to 2014, in which the highest-ranking representatives of Ukraine, Russia, Germany and France took part. The end result was a full-scale Russian invasion in 2022. Statements and attempts by Donald Trump and European leaders since 2022 have so far had no impact whatever on halting the mass daily killings of military personnel and civilians on both sides.

I propose exploring several options that could help break the deadlock in the negotiation process (Fig. 5). Firstly, organize an international think tank comprising independent experts under the auspices of EuroMemo, the SIPRI Institute (Sweden) or Centre for Humanitarian Dialogue (Switzerland) to draw up recommendations for both sides to the conflict. Secondly, introduce a Track 1.5 initiative to involve representatives of civil society, academics, non-governmental organizations, the church and the business community in the official delegation. Thirdly, Track Two diplomacy involves the same representatives from the informal Track 1.5 delegation. His work is independently of Track 1 and create the general conditions necessary to unblock the negotiation process. The first and third options are complex, but have a better chance of being implemented.

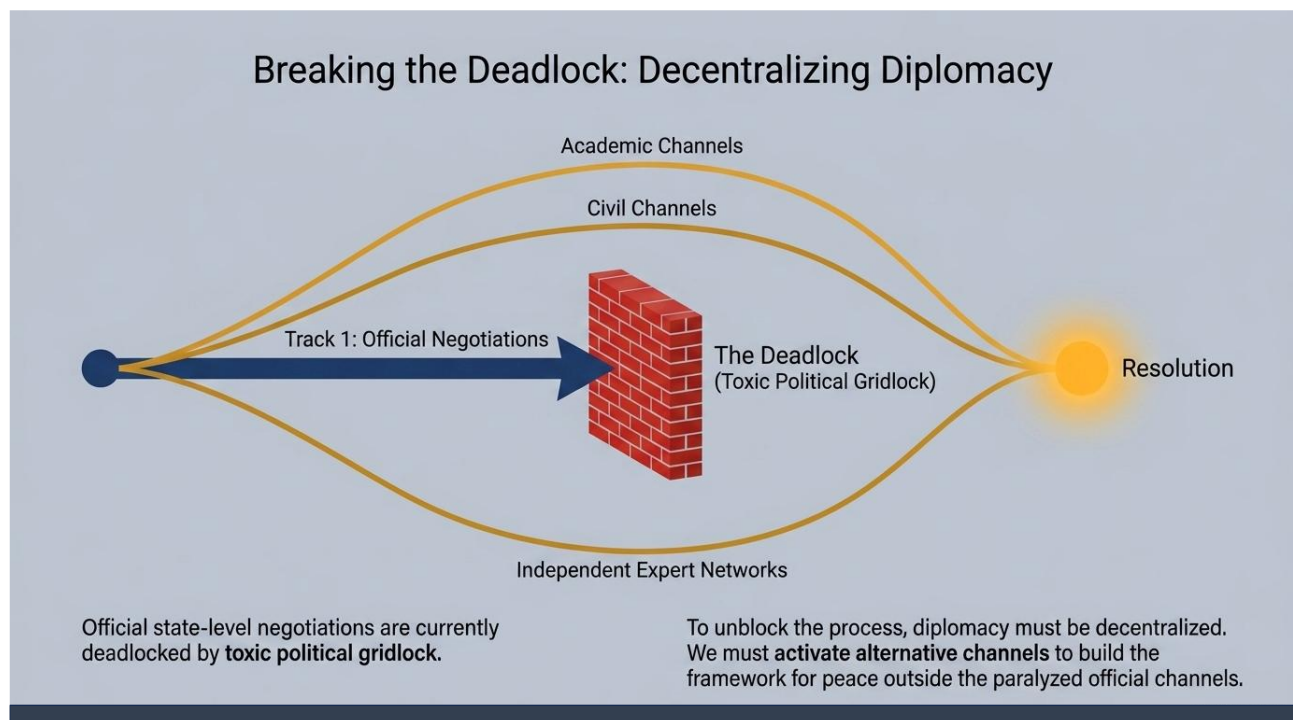


Figure 5. Decentralizing Diplomacy

Conclusions.

The issues of war and peace have featured prominently in: academic, political, economic, and religious debates from antiquity to the present day.

Three major stages (eras) can be identified in the explanation of the causes of conflicts and wars.

Stage 1 – pre-Neolithic, conditions of a hunter-gatherer economy.

Stage 2 – antiquity, the Middle Ages (Machiavelli – imperialist expansion is a guarantee of a country's survival).

Stage 3 – industrialism (the modern era) – the present day (Clausewitz – war as the continuation of politics by other means).

War and peace in the context of global public goods; political-economic interpretations of peacemaking and conflicts: liberalism, realism, Marxism.

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