

**Enriching Knowledge Series for Junior Secondary
History Revised Curriculum: War and History:
New perspectives to Study the Military History
(Lecture 2) “War and Economy” (New)
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War and History Lecture Series (II): War and Economy

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Part I: Introduction

Part II: War and Economy during the Age of Napoleon

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Part I:

Introduction

War and Economy: in Short

About
resources
gathering

About production

About finance

About
planning and
coordination

War and Economy

- Economic dimension of war
- Economics at war
- Always driven by demand?
- Importance of perception

Part II:

War and Economy during the
Age of Napoleon

Main Features

- **Enhanced state ability to collect financial resources**
- **Increase in production**
- **Growing role of international finance**
- **Impact of war on international trade**

Changes in the 18th century

- Stronger centralized states
- Increase in scale of war
 - On land
 - At sea
- Increase in production
- Ability to finance larger armed forces
- The first test: the Seven Years War
- Consequences: the American and French Revolutions

The Napoleonic War

- Maintaining the Royal Navy
- International trade and the war
- Financing allies
- The Continental System

Part III:

The First World War

Main Features

- **Unprecedented state mobilization**
- **Industrialized warfare**
- **International trade and finance became vital**
- **Economic factor more important in longer conflicts**

Changes in the 18th century

- Industrialization
- Global trade and imperialism
- Mass society
- Consumerism

Is War Now Impossible? (1898)

- Firepower will make it impossible for troops to move on open ground
- Entrenched infantry will dominate the battlefield
- Both sides will deploy huge armies, supported by industrial power
- War will become long process of attrition
- Lead to: famine, epidemic, social disorder
=> Revolution!

Economics and WWI

- Opportunity costs
- Economy of scale vs.
- Law of diminishing marginal returns

Economic Dimension of WWI

- Econ mobilization
- Enhanced state control
- Mass production
- Manpower shift
- Economic collapse(s)
- Cost of war and consequences

Part IV:

The Second World War

Main Features

- **Technology-intensive weapons**
- **Complexity of resources collection, production, and deployment**
- **Ability of the state to defer payment – unlimited financial resources during war**
- **Importance of overseas trade**

The Second World War

- Industrialized war
- State cooperation with enterprises
- Unlimited credits
- All-powerful state
- How was the war won?

The Second World War

- Economics and War
 - An example
- Economy and War: three examples
 - Bengal Famine
 - Japanese Empire
 - Nazi Germany

Part V:
Conclusion

Conclusion

- Economic factor was increasingly important in modern warfare
- Because of the scale of war and the amount of resources it consumed
- Economic power was not only about production or technological innovation but also credibility, control of trade, and the relationship between the state and the society
- Throughout modern history, the state enhanced its ability to gather resources for war effort

The End

Thank You