This book is a gem for those interested in war (peace) economics and economic history, or in fact also for those interested in economic theory and application. Co-authored by an economist (Brauer) and an historian (Van Tuyll) it is exceptional in both methodology and in depth of narrative and insight. Castles, Battles and Bombs is an example of how inter-disciplinary scholarship can be done well, and covers many fields including political economy and economic theory, public finance and fiscal history, behavioral and leadership psychology, political history, military history and strategy, and period history, and draws from sources in English, French, Italian and German over these same diverse fields, bringing the work together into a concise whole grounded in a well-defined and clear exposition.

Although the authors self-admittedly cast a wide-net in terms of time-frame (1000 to 1999AD) they purposely too admit that the case-studies in which they choose to apply economic analysis to historical events are “offbeat” (p.40) to avoid any pretension of completeness. The periods covered, one case-study per period, are the High Middle Ages (1000-1300), on expenditures for castle-building versus battle-ready soldiers in medieval England and France, the Renaissance (1300-1600), on the principal-agent
problem in soldiers-for-hire in Italy, the Age of Battle (1618-1815), on the marginal costs and benefits of engaging in battle in Western Europe, the Age of Revolution (1789-1914), on asymmetric information (e.g., in this case, the economics of espionage) in the US Civil War, the Age of World Wars (1914-1945), on diminishing returns to the Allied bombing of Germany, and the Cold War (1945-1991), on the substitution decisions of expenditures for conventional armed forces versus the nuclear buildup in France.

The book concludes with a chapter entitled “Economics and Military History in the Twenty-first Century” which goes beyond the analytical history emphasis in prior chapters on opportunity cost and the economics of information and introduces public goods, transaction costs and Oliver E. Williams’ concept of probity hazard in diplomacy in relation to terrorism and the use of military contractors today. The discussion in this section on conscription’s effects on both the military and on a nation’s economy overall is especially good, as is the analysis on the continuum in the ‘goods space’ as it relates to private and public provision of public goods in defense.

The authors state that they “infuse economic theory into the study of military, not economic, history and have done so, we hope, without further endangering the already imperiled status of military historians in the few history departments that still house them” (p. 321). The authors believe that economic history has imperialized military history in academe, and they, obviously, lament this trend. Yet they as well are aware that military history, “becomes the military’s history rather than military history, a history
that seeks to understand the military in the context of non-violent antecedents that somehow give rise to organized violence and preparations therefor” (p. 320).

The first chapter of the book is devoted to delineating the economic principles used in the historical analysis. This section itself is an excellent and oftentimes humorous exposition of economic fundamentals such as can be found in a (good) introductory economics text such as Mankiw’s, however, the authors take a more sophisticated and nuanced approach which would be a welcome read for the practicing economist as covers the latest mainstream cutting-edge ideas in orthodox economics including what they label as “improvements” over “neoclassical economics” (pp. 8-9), which means New Institutional Economics, “experience” goods (increasing returns to scale in consumption), bounded rationality, transactions costs, asymmetric information, externalities and networks. All of this is written in a manner that both the economist and non-economist can enjoy, understand and appreciate. The authors clearly want to make this both a popular and scholarly work, and do succeed.

Despite the orthodoxy introduced in the first chapter the authors move beyond the Walrasian economics of assumed starting points in economic analysis and introduce a theory as to why the nation-state today is so able to engage in war as an introduction to their first case study. The opportunity cost of war has been reduced with the introduction of central banking and fiat-money (although the authors do not mention this explicitly), whereas in the pre-nation-state era, the opportunity cost for battle was greater. “True, men could be ordered to wage war, but only for periods specified by tradition…..A
modern state possesses impressive tools to wage war such as a national tax system, conscription, and credit…A king in 1008 was far more aware of the need to make choices than a president in 2008” (p. 45.). This analysis of presidential power is timely and confirms the findings of two recent monographs on presidential power in the United States (Yoo 2009 and Wills 2010) which are gaining some attention.

Each case-study chapter is excellent into itself as begin with relevant accepted historiographies of each time-period (including economic, political and military histories) and recent revisionist and competing historiographies. Both the economist and the historian will be interested in these case studies, and each time-period chapter can be read on its own without needing to either read the theoretical underpinnings presented by the authors in the first chapter, nor the case-studies for the time-periods preceding a reader’s specific area of interest.

The chapter on medieval Europe is especially relevant to economic historians as illustrates the increasing returns to scale of military power, leading to the evolution of the nation-state, and a “top-down” economic reasoning behind the transition to capitalism from feudalism as contains an extended discussion and analysis on the public choice dynamics between the manorial class’s positions as rulers of castles and the intra-monarchal rebellion that this autonomy augured. An incentive structure that played-out historically and, perhaps, led to the end of castle-building (expensive endeavors to say the least) as a means towards territorial control by monarchs who wished to increase central control over territory.
It is hard to find fault with this book, the only thing worth mentioning is something in common with many scholarly works of history, where a dense set of information in a paragraph is footnoted only at the end of a paragraph, and the footnote contains several if not many references, so it is difficult to determine from where the authors draw their information for a specific fact. But this too is forewarned upfront in the authors’ explanation of their intent to keep footnotes to a minimum so that the general reader can enjoy the book without the footnotes. “We ask the reader to relax and have some fun. Even if one harbors misgivings about economics, one may nonetheless enjoy what is done with it….we ask the general-interest reader to overlook the copious chapter notes intended mostly for the scholar, just as we ask the scholar to bear with us when for the general reader’s benefit we lay out a topic or period more broadly than the scholar might ordinarily find appropriate” (p. xviii). Another weakness is that the case studies are Euro-centric, but this drawback is, again, self-admitted by the authors, who are well-aware of the limitation in what they have attempted in the scope of their work, and, throughout the book they offer suggestions for further, and specific, research based on the methodology they have so well-defined.

Peace (war) economics is a growing subfield in economics, for example two of the last three Papers and Proceedings of the American Economic Association’s annual meetings (for the years 2007 and 2009) have a section on papers related to the economics of war, and the analytical history and theoretical underpinnings for the analysis provided in this book are of the first order for those wishing to pursue the field. Brauer and Van Tuyll
offer a welcome starting-point for those new to peace economics and in addition advance scholarly research in the economic history for the time-periods covered due to their in-depth historiographical and military-economic analysis of each historical epoch.

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References

