

## Section 7. Sociology

*Gurashi Romina Dr.,  
“Sapienza” University of Rome  
Ph. D. Candidate in Political Studies, Faculty of Political Science  
E-mail: romina.gurashi@uniroma1.it*

### **The gap between Peace Economics and nowadays European integration model**

#### **1. Some key concepts**

The first important thing to do is to set the epistemological basis orienting this study.

In our age, people conceive peace as «absence of war, particularly of major wars, more particularly between major powers, and most particularly the absence of nuclear war between superpowers<sup>1</sup>». In this perspective, peace is the negation of violence. But what interests us is a richer concept of peace, a definition «denoting the simultaneous presence of many desirable states of mind and society, such as harmony, justice, equality, and so on»<sup>2</sup>. This is a central point for the study of Peace Economics because, using the words of Jurgen Brauer and Raul Caruso, «peace economics concerns the economic study and design of political, economic and cultural institutions, their interrelations, and their policies to prevent, mitigate or resolve any type of latent or actual violence or other destructive conflict within and between societies»<sup>3</sup>. Thus, the aim of this kind of research is to fill a phenomenological vacuum, with epistemological, scientific and cultural implications in the study and the design of the peace from an economic point of view. In fact, this subject cannot be merely relegate to the economic sphere as its purposes extends until the construction or reconstruction — in the case of countries

---

<sup>1</sup> Johan Galtung, “Social Cosmology and the Concept of Peace”, *Journal of Peace Research*, Vol. 18, No. 2, Special Issues on Theories of Peace (1981). P. 183.

<sup>2</sup> David P. Barash, Charles P. Webel, “The Meanings of Peace”, in Barash, Webel, *Peace and Conflict Studies*, Third Edition, Sage, 2013. P. 4.

<sup>3</sup> Jurgen Brauer, Raul Caruso, “Economists and Peacebuilding”, in R. Mac Ginty, *Routledge Handbook of Peacebuilding*, London. P. 151.

recently afflicted by violence — of the social structure, the social contract and the social capital, in order to stabilize peace<sup>1</sup>.

This is a study especially addressed to the countries afflicted by violence — i. e. those countries emerging from war, internal conflicts, guerrilla warfare — that manifest characteristics such as institutional instability, economic instability, strong presence of the organized crime or terrorism, just to name a few.

## **2. A model resulting from the European integration process**

Given these assumptions, we should now ask: what is the relation between Peace Economics and the European integration?

The reason is that the origins of the European Union and the origins of this type of studies reflect phenomena deeply rooted in the history of the European integration process and in the birth of the European institutions. There is therefore a union– at least imaginary — between these areas of experience and the fact that the development of the first often conditioned the development of the other and *vice versa*.

Some fundamental steps will be useful to clarify this thesis. Before the start of the integration process, John Maynard Keynes wrote a book whose title is *The economic consequences of the Peace*. Published in 1919, during the final phase of negotiation of the Treaty of Versailles, this book is the emblem of Keynes opposition to a punitive peace against Germany. « [...] it became evident that hope could no longer be entertained of substantial modification in the draft Terms of Peace. The grounds of this objection to the Treaty, or rather to the whole policy of the Conference towards the economic problems of Europe, will appear in the following chapters»<sup>2</sup>. The famous British economist warned France and Great Britain that inflicting a socially and financially unsustainable punishment to Germany they could case a new crisis in the balance of powers and create the conditions for a new war. History would give him reason.

However, at the end of the Second World War, the punitive line of annihilation of the enemy was reiterate again. But, conditioned by the ideas of Winston Churchill — according to which only a united Europe could ensure peace dismantling European nationalism and warmongering<sup>3</sup> — and frightened by the hypothesis that a future economically ascent Germany could decide to ally with the Eastern countries or even be incorporated into the Soviet Union, Truman, the President of the United States, and his Secretary of State, Marshall, decided to create an extraordinary plan of economic

---

<sup>1</sup> See Jurgen Brauer, Jean P. Dunne, *Peace Economics: A macroeconomic primer for violence afflicted states*, United States Institute of Peace, Academy Guide, New York, 2014.

<sup>2</sup> John M. Keynes, *The economic consequences of the Peace*, Mcmillan, London, 1920, Preface. Edition available at <http://www.econlib.org/library/YPDBooks/Keynes/kynsCP0.html#Preface>

<sup>3</sup> See the speech delivered on 19th September 1946 at the University of Zurich by Sir Winston Churchill, PACE website, Zurich, Switzerland. Available at <http://archive.is/kOGDK>

assistance whose name is Marshall Plan (1948–1952). From our point of view, it can be considered the beginning of a “strange”<sup>1</sup> or primitive type of peace economics.

The path taken by Keynes and Marshall, was inspiring for Jean Monnet and Robert Schumann the fathers of the European Union. Their plans, in fact, focused on the idea for which an economic union of European countries could prevent the outbreak of new conflicts between the Member States. Holding out their hand to the opponents of the war just ended, they remained silent to resentments and proposed to secular nations to find together the influence that they were not able to wield by their own<sup>2</sup>.

### 3. The gap

From these few historical references, it is clear what role had the European project in the origin of the studies on Peace Economics. However, the history of the European integration is long and articulated and the unification process saw many “stop & go”. In particular, a specific event had a central importance: the financial crisis of 2008.

Echoing the affirmations of Professor Ilvo Diamanti in his beautiful *lectio magistralis* held on 20 May 2015 at “Sapienza” University, this event showed the incompleteness of the European project. A project focused on the economic integration that failed to overcome the nation states.

As John K. Galbraith wrote in his final book, *The Economics of Innocent Fraud: Truth of our times*, the economic discipline suffers «our most prestigious form of fraud, our most elegant escape from reality<sup>3</sup>». It reduces economy to pure theory, an intellectual exercise, a sort of religion and its assumptions are simplifications of the variegated reality. This vision has been shared also by Milton Friedman in his essay *Methodology of Positive Economics* where the economist argues that «truly important and significant hypotheses will be found to have “assumptions” that are wildly inaccurate descriptive representations of reality, and, in general, the more significant the theory, the more unrealistic the assumptions<sup>4</sup>».

Therefore, following the reasonings of Galbraith and Friedman, it is clear that the economic science of the scholars is not able to completely explain and represent the interests and the choices of the human being. And just as for religion, economics becomes a profession of faith, his theories dogmas and his theorist holy man.

<sup>1</sup> An attribution given by Jurgen Brauer and Raul Caruso in Jurgen Brauer, Raul Caruso, “Economists and Peacebuilding”, in R. Mac Ginty, Routledge Handbook of Peacebuilding, London. P. 149.

<sup>2</sup> See, Robert Schumann, “Declaration of 9th May 1950”, European Issue No. 204, 10th May 2011, P. 1–2.

<sup>3</sup> John K. Galbraith, *The Economics of Innocent Fraud: Truth of our times*, Houghton Mifflin, Boston – New York, 2004. P. 43.

<sup>4</sup> Milton Friedman, “The Methodology of Positive Economics”, in *Essays in Positive Economics*, University of Chicago Press, 1970. P. 14.

Economics becomes a shelter, a safety place to hide when something scaring and difficult to explain happens, a granitic certainty. The problem is that this profession of faith led to not exactly exciting results, as demonstrated by the recent economic crisis.

It is therefore clear the progressive separation between what the theorists of the Peace Economics hoped and the project pursued by the member states of the European Union. While the latter — the European Union — mainly invests in economic integration, the other — the Peace Economics — calls for a deeper political, cultural, and social integration with the awareness that economy alone cannot provide responses to the increasingly complex needs coming from the civil society.

In conclusion, this study tried to demonstrate that the economic perspectives and projects were very different from the results we are experiencing. The integration project remained unfinished, and this aspect represents an element of vulnerability not only for the institution in itself, but also for the member states and the people living in these territories. The case of the Greece is emblematic.

What urges is a revolution in our perception of the man: no more a *homo oeconomicus*, but a man with a soul and a body that learns and creates — sometimes even unknowingly — together with his community.