

STRATEGIC MANAGEMENT: IS WAR GOOD FOR ECONOMY

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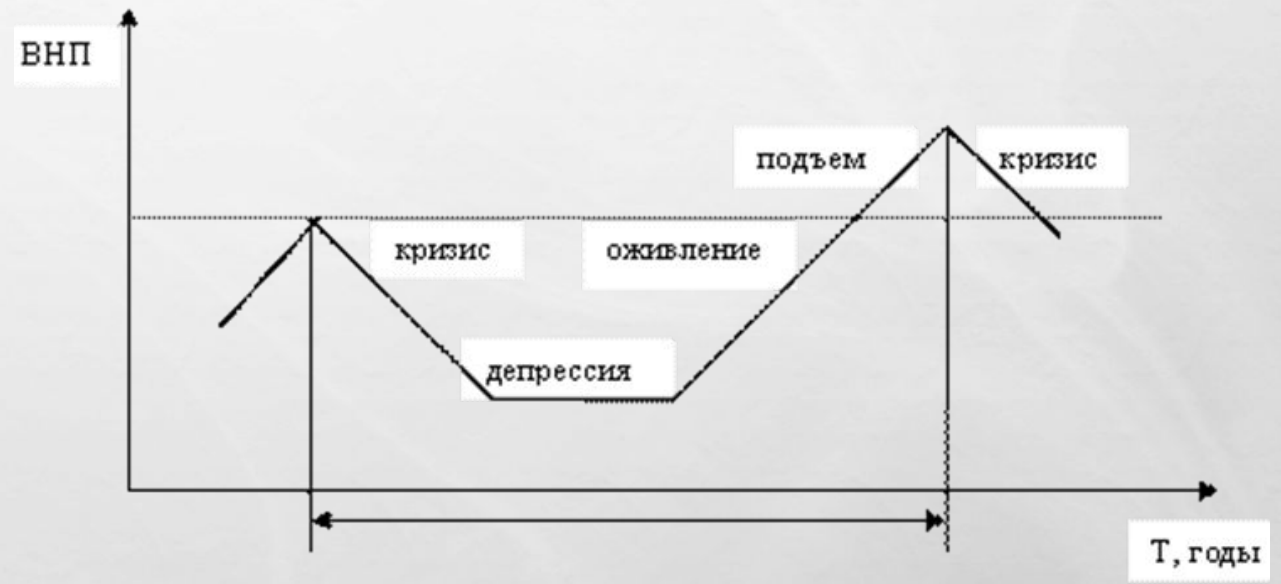
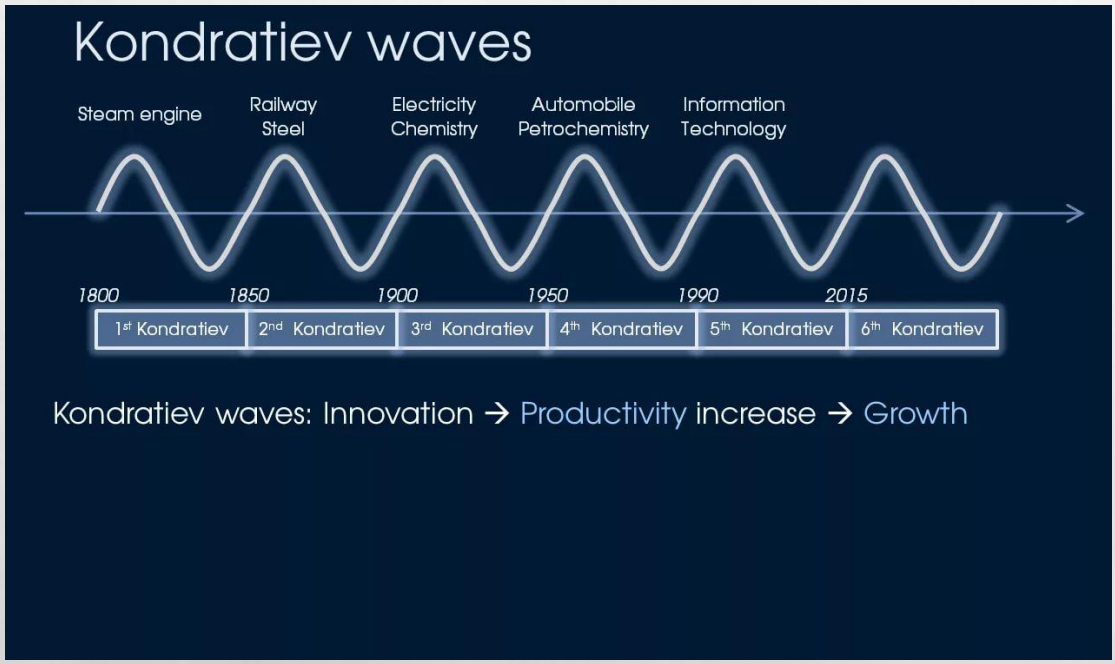
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THEORY OF MARX-KONDRATIEV

- THE CHARACTERISTIC PERIOD OF THE KONDRATIEV WAVES — 50 YEARS

- THE PERIOD OF THE WAVES OF MARX 6-7 YEARS.



ECONOMIC RESULTS OF WWI

- **THE STRONGEST POWER AT THE END OF THE WAR BECAME THE UNITED STATES.**
- **FRANCE RECEIVED BACK ALSACE AND LORRAINE AND IN ADDITION THE RIGHT OF 15-YEAR EXPLOITATION OF THE SAARLAND COAL BASIN.**
- **THE OVERSEAS POSSESSIONS OF GERMANY AND THE FORMER COLONIES OF THE OTTOMAN EMPIRE WERE DIVIDED AS "SUB-TERRITORIES" BETWEEN ENGLAND AND FRANCE.**
- **GERMANY, WHICH SUFFERED MILLIONS OF CASUALTIES AND ECONOMIC DEVASTATION, HAD TO PAY 132 BILLION GOLD MARKS TO THE COUNTRIES-WINNERS OF REPARATION (COMPENSATION).**



GERMANY (RAPID ECONOMIC RECOVERY)

- FOREIGN INVESTMENT
- A HIGH LEVEL OF SCIENTIFIC AND TECHNICAL THOUGHT AND SKILLS OF THE WORKFORCE
- THE POSITIONS OF GERMAN FIRMS IN THE WORLD MARKET HAVE ALSO RECOVERED
- AMERICAN AND BRITISH LOANS



ECONOMIC CRISIS IN XX

- AFTER THE FIRST WORLD WAR, THE WHOLE WORLD WAS ENGULFED BY THE ECONOMIC CRISIS
- ADJUSTING FROM WAR TIME TO PEACE TIME FACTORIES FOCUSED ON WAR TIME PRODUCTION HAD TO SHUT DOWN OR RETOOL THEIR PRODUCTION
- THE GOVERNMENT OF THE COUNTRIES OF THE WEST SENT ECONOMIC REFORMS TO THEIR COUNTRIES AND SPURRED THE ECONOMY, THAT PEOPLE COULD NOT CONSUME THE BENEFITS
- ROOSEVELT DECIDED TO FIND ANOTHER WAY OUT OF THIS SITUATION, THEN HE CARRIED OUT A SERIES OF ECONOMIC REFORMS



ECONOMIC RESULTS OF WWII

- **MORE THAN 55 MILLION PEOPLE DIED, MORE THAN 100 MILLION REMAINED DISABLED**
- **TOTAL EXPENDITURES OF THE WARRING STATES EXCEEDED 900 BILLION US DOLLARS**
- **INDUSTRIAL PRODUCTION FELL BY MORE THAN A THIRD TO THE PRE-WAR LEVEL**
- **BY THE END OF THE WAR, THE US ACCOUNTED FOR MORE THAN 1/2 OF THE WORLD'S GDP AND INDUSTRIAL PRODUCTION AND 2/3 OF THE WORLD'S GOLD RESERVES**
- **SWISS BANKS BECAME THE CUSTODIANS OF NAZI GOLD, WHICH PLAYED AN IMPORTANT ROLE IN THE TRANSFORMATION OF THIS COUNTRY INTO A WORLD BANKING CENTER**



WORLD RECESSION IN XXI C. (COUNTRIES AFFECTED)

- **WHEN THE AMERICAN ECONOMY IS IN RECESSION, THE WHOLE WORLD FALLS INTO A STATE OF TRAUMA**
- **MILLIONS OF JOBS ARE LOST AND MULTI-NATIONAL COMPANIES ARE FORCED TO SHUT DOWN**
- **THE LARGEST DECLINE IN GDP WAS OBSERVED IN EUROPE AND THE NEAR EAST.**



TYPES OF WAR OTHER THAN WAR (IDEOLOGY, INFORMATION, EMBARGO ETC.)

- **DEMONSTRATION OF MILITARY POWER**
- **ORGANIZATION OF ARMED INTERVENTION**
- **PROMOTION OF HUMANITARIAN**
- **THE PROVISION OF INFORMATION, POLICE, PROPAGANDA
AND OTHER ASSISTANCE TO CIVIL ADMINISTRATION IN
ELIMINATING THE CONSEQUENCES OF TERRORIST ACTS,
MAN-MADE AND NATURAL DISASTERS**



USA

- THE ECONOMY OF THE UNITED STATES COULD IMPROVE IN THE LONG RUN DUE TO THE WAR FOR A COUPLE OF REASONS:
- 1 AN INCREASED SUPPLY OF OIL
- 2 DEPENDING ON WHO YOU ASK, THE WAR EITHER HAS EVERYTHING TO DO WITH IRAQ'S

