

Asymmetric Resilience: A Comparative Econometric Analysis of War-Induced Shocks on First and Third World Economies

Research Draft

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1 Research Objectives

The primary goals of this study are:

- **Comparative Economic Analysis:** Compare direct and indirect impacts of wars on First and Third World economies.
- **Identify Economic Indicators:** Track GDP growth, inflation, unemployment, trade balance, and currency valuation.
- **Market Volatility Assessment:** Analyze volatility levels in commodity markets (crude oil, natural gas, metals).
- **Global Supply Chain Analysis:** Analyze the ripple effects of war-related disruptions on different sectors.

2 Hypotheses for Testing

1. **GDP Growth:** First World countries experience a smaller decline in GDP growth rates compared to Third World countries during and after periods of war.
2. **Commodity Prices:** Commodity prices in Third World countries exhibit greater volatility compared to First World countries during periods of conflict.
3. **Market Sentiment:** Different clusters of countries react differently to war, exhibiting distinct economic behaviors.

3 Methodology & Statistical Framework

This research utilizes a multi-faceted econometric approach:

- **Difference-in-Differences (DiD):** To isolate war impact by comparing affected vs. unaffected nations.
- **Vector Autoregression (VAR):** To analyze dynamic relationships and feedback loops between variables.

- **Event Study Method:** To assess immediate reactions to specific war-related events.
- **Regression Analysis:** Utilizing panel data to control for external variables.

4 Data Source Directory

The following verified portals will be used for data collection:

4.1 Macroeconomic & Trade Data

- **World Bank Open Data:** data.worldbank.org
- **UN Comtrade Database:** comtradeplus.un.org
- **IMF Data Portal:** data.imf.org

4.2 Conflict & Geopolitical Indicators

- **UCDP/PRI Conflict Data:** ucdp.uu.se
- **SIPRI Military Expenditure:** sipri.org/databases/milex
- **Geopolitical Risk (GPR) Index:** matteoiacoviello.com/gpr.htm

4.3 Commodity Prices

- **World Bank Pink Sheet:** worldbank.org/commodity-markets
- **FRED (Federal Reserve Data):** fred.stlouisfed.org