IOWA STATE UNIVERSITY

POL S 357 MILITARY INDUSTRIAL COMPLEX AND CONFLICT

Research Question

- Q_1: Does the military industrial complex cause nations to engage in higher amounts of conflict?

Background

Anecdotal evidence shows the existence of a military industrial complex in many countries, particularly the United States.

This would be composed of lobbying groups as well as congressional entities that advocate for war in order to gain resources.

Theory

As the MIC's influence increases, there should be an increase in conflict initiation.

I will measure the MIC's influence by military spending and conflict initiation by origin country of MIDs.

I make the assumption that as contractors receive more funding, their lobbying effect grows larger.

Literature Review

In his article, *Messenger or Message*, Diehl (1987) finds that there is no strong correlation between buildups and MID involvement or MID initiation. Diehl admits that tension may influence military spending and vice-versa, creating a conflict in data interpretation. What causes what?

I attempt to navigate this issue by using a Two-stage Least Squares regression analysis. This accounts for the effect of MID initiation on military spending. I then use a predicted model of military spending to predict MID initiation. Diehl uses data from 1816-1976. Increasing sample size, I use 1816-2010 data.

Corruption and Military Spending, by Gupta (2001), shows a strong correlation between military spending and corruption. While his data is only suggestive, my data may support the idea that corrupt elements within governments advocate for war.

Hypothesis

- H_1: As a country's MIC influence increases, so does conflict initiation.

Method

Two-Stage Linear Regression

Stage 1

$\widehat{mil} = \beta_1 \text{conflictinitiation} + \beta_2 GDP$

Stage 2

$conflictInitiation = \tau_1 \widehat{mil} + \tau_2 pact$

Data

Stage 1

IV: ORIG, Militarized Interstate Disputes (v4.3)

IV: PEC, National Material Capabilities (v5.0)

DV: Predicted military spending

Stage 2

DV: ORIG, Militarized Interstate Disputes (v4.3)

IV: Predicted military spending

IV: Defense Pacts, Formal Alliances (v4.1).

Model 1:

Major Power MID initiation and military spending

Model 2:

Non-major power MID initiation and military spending

Model 3:

All countries' MID initiation and military spending

Model on Russia to compare to Model 1

Model on Turkey to compare to Model 2

Results

	Model 1 Major	Model 2 Non-major	Model 3 All	Russia	Turkey
$\widehat{mil}$	8.89E-10 ***	3.62E-08 ***	3.13E-09 ***	4.52E-10 ***	4.61E-08 ***
pact	3.59E-02 ***	-6.51E-02 ***	-1.42E-02 **	2.41E-02 *	4.37E-02

*** = significant at 0.001 level. ** = 0.01. * = 0.05

Conclusions

- Model 1- Model 3: The MIC has a weak but statistically significant effect on MID initiation. This is consistent with Diehl's work.
- Non-major powers are more greatly influenced by the MIC with regards to MID initiation.
- This may be because non-major powers are more likely to have salient issues with regards to territory, resources etc. In their pursuit to gain status, military spending increases MID initiation towards salient issues.
- These salient issues may give the MIC a greater voice toward MID initiation.
- MIC influence on Russia is close to the influence found on major powers on a whole .
- MIC influence on Turkey is close to the influence found on non-major powers on a whole .
- Diehl states that military buildups are one of many responses towards threats and thus under certain circumstances may be chosen.
- Similarly, the MIC influence may only be greater under certain circumstances.
- Using solely military spending may not have been the best way of capturing MIC influence on governments.
- This work however adds support to Diehl's work with regards to the effect of military spending on MID initiation. We see a consistent statistical increase of MID initiation as military spending increases. While it is very small, it supports the claim that military capability is one of many variables when considering an attack and under certain circumstances, may increase the probability of war.

Future Research

- What variables may be used to more effectively capture the military industrial complex's influence?
- Using a revised model, how does the MIC influence conflict?
- Under what conditions may the MIC's influence be greater?

Legend: MIC = Military Industrial Complex, $\widehat{mil} = predicted\ military\ spending$, MID = Militarized Interstate Dispute