

Effect of Market development and macroeconomic policies on economic security

Market development and macroeconomic policies have **small effects** on economic security, supporting growth during conflict but potentially hindering post-conflict recovery.

Geographical region: Global

Effect size: Small effect ($g=0.013$)

Confidence in study findings: Low confidence (1 study; 9 ES)

Short summary

Nation-building interventions combining economic aid and military assistance can influence GDP growth differently during and after conflict. Evidence from a panel study across 177 countries (1960–2005) suggests that economic aid supports growth during conflict but may hinder recovery post-conflict. Overall confidence in the cell is low due to the inclusion of a single study.

Long summary

The intervention

The intervention involves nation-building programs that combine economic aid, providing financial support for development and stability, with military assistance, including security provisions such as troops, training, and equipment. These interventions are intended to stabilize conflict-affected economies and promote growth during and after periods of conflict.

How the intervention is expected to work

Economic aid provides resources for infrastructure, social services, and economic stimulation, while military assistance ensures security and reduces conflict-related disruptions. During conflict, this combination may foster stability, encourage investment, and support GDP growth. However, in the post-conflict period, excessive aid can create dependency or crowd out local initiatives and private investment, potentially slowing recovery.

The evidence base

The cell includes one primary study that uses a panel design analysing data from 177 countries over the period 1960–2005. The dataset includes global regions affected by conflict to assess their economic growth outcomes.

Evidence Findings

Nation-building interventions show mixed effects on economic security. Economic aid improves GDP growth during conflict but may hinder post-conflict recovery..

Included studies

Creasey et al. (2012) analyses nation-building interventions (economic aid and military assistance) aimed at stabilizing economies during and after conflict. Conducted across 177 countries (1960–2005) using a panel design, it evaluates aid's impact on GDP growth. The sample includes countries experiencing conflict or post-conflict, examining interactions between aid, military support, and growth. Economic aid boosts growth ($p < 0.01$), especially during conflict ($p < 0.10$), but not post-conflict. Military assistance hinders growth ($p < 0.10$), particularly during conflict ($p < 0.01$), but aids post-conflict ($p < 0.01$). Economic and military aid combined harm growth post-conflict ($p < 0.01$). The study is rated low confidence because selection bias remains due to data limitations (e.g., no data from non-OECD donors like China). Further, high-quality evidence on multilateral versus unilateral impacts is limited, affecting the confidence in conclusions.

Confidence assessment

Overall: Low confidence as there is a limited number of studies.