Organizações & Sociedade Journal
2022, 29(103), 693-723

DOI 10.1590/1984-92302022v29n0034EN
ISSN 1984-9230
www.revistaoes.ufba.br
NPGA, School of Management
Federal University of Bahia

Associate Editor:
Cintia Rodrigues
Received: 01/09/2022
Accepted: 07/05/2022

War and Business: What Does Literature Have to Say on the Subject?

Rafael Felício Jr.[a]

Ariane Cristine Roder Figueira[a]

[a]Federal University of Rio de Janeiro, Rio de Janeiro, Brazil

Abstract

This article aims to analyze the contemporary scientific production that relates war to business through an exploratory review of the corresponding literature in which we sought to identify the main research themes and theoretical-empirical contributions on the topic. As a result, it was observed that war entails both risks and opportunities for business, presenting itself as a dichotomous environment: at times propelling, at times repulsive of investments. Another aspect highlighted in this work refers to the dispersion of literature in different areas of knowledge, which has made it difficult to build a research agenda that explores the multifaceted nature of the phenomenon. In that regard, the purpose of this article is to contribute to the articulation of such evidence by generating seven theoretical propositions and an analytical framework to point out research opportunities related to the topic in question.

Key words: political risk; business; foreign investments; war; institutional theory.

Introduction

What is the meaning of war for international business? What are the impacts that intrastate and interstate conflicts generate for the survival, retraction, or expansion of a company? The contemporary international situation revolving around the context of the war waged by Russia against Ukraine has revealed the movements of companies to flee from these two markets either as a retaliation mechanism or due to financial losses due to high political risk. A survey carried out by the Yale School of Management (2022) shows that from the beginning of the conflict until June 7, 2022, about a thousand companies showed some form of aversion to the Russian market. In the case of Ukraine, businessmen see the war as a threat to their businesses and employees (Shrivastava, 2022).

In the same direction, some studies have highlighted conflicts as a source of risk for businesses (Kendall, 1948; Scott, 1917; Smith, 2016) with loss of properties, investments (Kent, 1943), and a drop in revenue for certain sectors of the economy (Ban & Vrtiprah, 1999; Presečan, 1993). In addition, they point out that multinationals have increasingly operated in conflict environments, being exposed to the collateral effects of war, which often leads to the early departure of companies from these vulnerable territories. Such notes have raised questions about the reasons why some companies flee and others manage to remain in conflict territories, operating in adverse circumstances. Or to put it another way, what makes some multinationals more vulnerable than others to political risk? Driffield, Jones, and Crotty (2013) seek to answer this question pointing out the scarcity of studies that analyze the motivations for which some companies systematically invest in risky environments. The conclusions of these researchers point out that companies from countries that have weak institutions are more likely to invest in conflict zones given their ability to deal with contexts of instability.

In this sense, another face of the war presents itself: attraction, when companies identify potential gains with the armed conflict either because they participate in the production chain of the defense industry or because they see the event as an opportunity for the emergence and expansion of new markets (Cohen, 1943; Mudgett, 1920). There are also mercenary companies or those that explore the context of post-war reconstruction (Meharg 2003; Schmid 2006). On this subject specifically, Moore (2021) highlights the role of International Organizations in directing incentives for Foreign Direct Investment (FDI) in post-conflict contexts, while emphasizing the complexity of developing or re-establishing stable political and governance mechanisms in reconstruction scenarios so as to make them attractive and less risky institutional environments for companies.

In this way, understanding the social and institutional interactions that make war this peculiar environment characterized by the dichotomy of being an attractive and repulsive environment for companies becomes something relevant either by promoting future empirical research by advancing on the understanding of the complexity that involves the phenomenon or by putting itself as a beacon for managers to develop the analysis of political risk of their businesses.

Therefore, with the purpose of contributing to the advancement of this research agenda, the objective of this article is to identify and group through a literature review the contemporary scientific production that relates war to business. It analyzes the main theoretical and empirical contributions present in the literature and the variables that involve scenarios of political instability, especially armed conflicts. In addition, the study aims to contribute to the understanding of emerging markets, in particular evaluating the effects of the host country's political and institutional environment and uncertainties in attracting investments and business development (Meyer & Peng, 2016). This institutionalist approach to international business has been used to analyze the performance of companies not only from the perspective based on industry (Porter, 1980) or resources (Barney, 1991), but also the way in which “the rules of the game” (North, 1990) are placed in certain institutional environments, modeling the behavior of companies (Peng, Wang, & Jiang, 2008). Thus, as there are significant institutional differences between developed and emerging markets, these theorists have sought to pay attention to these distinctive features and their results.

Considering such a theoretical scenario, this study resulted in the discussion and integration of the data and found seven theoretical propositions in the sample analyzed through research groupings and an analytical framework to support future research. These research groups are understood as studies that are currently dispersed across several areas of knowledge, but were integrated into macro-themes according to the time frame related to the conflict (before, during, and after). In this way, it maintains a relationship with companies operating in the context of active war, as well as those that are being impacted by the expectation of conflict (pre-war) and post-war in general, thus playing an important role in reconstruction and economic stabilization of the impacted countries.

Materials and methods

To carry out this work, we opted for an exploratory literature review through a scoping study as proposed by Arksey and L. O'Malley (2005). This is a specific type of literature review that serves as a technique to map the relevant scientific production in a field of interest. According to Mays, Roberts, and Popay (2001), this method "aims to map rapidly the key concepts underpinning a research area and the main sources and types of evidence available … especially where an area is complex or has not been reviewed comprehensively before” (p. 194).

Thus, the objective of this research was to identify and analyze the scientific production that associates war with business either in terms of inherent risks or in terms of opportunities emerging from the phenomenon. The databases JSTOR, Emerald Insight, and EBSCO (Discovery Service and Academic Search Premier) were used as sources to identify relevant studies, which allow using wildcard characters represented by the asterisk symbol. An initial attempt was made with the keywords war and business, but the first search was not successful, so it was decided to change the keyword business to four new terms: profit, loss, opportunity, and risk with no restriction on the publication period. There were 132 articles identified within this scope. A second qualitative filter of in-depth reading was carried out from this to identify within this total sample the articles that related war to business with war being a source of profits, losses, opportunities, or threats. Of the 132 articles, 55 were excluded because they were not related to the topic or because they were duplicates, so 77 remained for the final analysis.

In the data tabulation phase, the research followed the following initial parameters: name of the author(s) and year of the work, nature of the conflict addressed in the study, region, unit of analysis, and research method. These parameters were selected not only to categorize the studies, but also to help detect research opportunities. Regarding the nature of the conflict, we classified as interstate a conflict that had actors from two or more states, and as intrastate a conflict that occurred between factions in dispute within the same state. In some articles the author did not make clear the profile of the conflict addressed, but it was possible to deduce it from the date of publication and the topic addressed. At other times it was not possible to classify the study in either of the two categories mentioned because the author, having studied the war in a generic way, did not make clear the nature of the conflict. Although it was not the initial intention of this work to address the phenomenon of terrorism as it is not a conflict in the strict sense, a specific category was also created to cover this issue as four studies (Howie, 2009; Omay, Araz-Takay, Eruygur, & Kiliç, 2013; Ramiah & Graham, 2013; Wynne-Hughes, 2012) addressed this phenomenon from the perspective of the "war on terror" and terrorism is a variable that can be part of interstate and intrastate conflicts.

Regarding the conflict region, we sought to identify the States in which the authors focused. All states mentioned by the authors were included in the analysis. In some cases, regions were mentioned broadly such as in the studies by Akcinaroglu and Radziszewski (2012) and Lahiri (2010) who addressed the African continent in general. It was not always possible to identify the region that the author was referring to because, despite mentioning several countries in his texts, they were only presented for the purpose of argumentation without directly addressing any of them, as in the cases of Mehlum, Moene, and Torvik (2002) and Nordstrom (2008).

Regarding the unit of analysis, it was verified whether the study addressed firms, specific sectors of economic activity, or the market in general. Regarding the research method, the studies were classified as quantitative or qualitative. Finally, a qualitative stage of content analysis was carried out in order to group the works into research sets, that is, thematic groups formed from patterns that emerged from the sample texts so as to identify emerging themes and propositions.

Research Results

Descriptive analysis of the sample

Regarding the journals that published the articles in the sample (Table 1), *The Economic History Review* was the one that presented the highest number of results (four), and the other articles were dispersed in other different journals from different areas of knowledge, which shows that the theme is not organized within a research agenda.

Table 1
Journals with the most publications on the topic

Periodical	Articles
The Economic History Review	4
The Journal of African History	3
The Agricultural History Review	3
Social Analysis: The International Journal of Social and Cultural Practice	2
California Management Review	2
African Affairs	2
The Annals of the American Academy of Political and Social Science	2
Law and Contemporary Problems	2
Third World Quarterly	2
Political Science Quarterly	2

Tourist Act	2
African and Asian Studies	1
The Wisconsin Magazine of History	1
Development	1
Emerging Markets, Finance and Trade	1
Review of African Political Economy	1
Enterprise & Society	1
Critical Perspectives on International Business	1
Erdkunde	1
The Journal of Risk and Insurance	1
European Planning Studies	1
Public Choice	1
GeoJournal	1
Review of International Political Economy	1
Indian Growth and Development Review	1
The Accounting Historians Journal	1
International Journal of Accounting & Information Management	1
Defense and Peace Economics	1
Japan Review	1
Development and Change	1
Journal of American Culture	1
The Scottish Historical Review	1
Journal of Business Ethics	1
University of Pennsylvania Law Review and American Law Register	1
Journal of Conflict Resolution	1
RAND Journal of Economics	1
Journal of Consumer Culture	1
Review of Economics	1
Journal of Entrepreneurship in Emerging Economies	1
Review of International Studies	1
Journal of Historical Research in Marketing	1
Sociology	1
Journal of Peace Research	1
The Accounting Review	1
Bijdragen tot de Taal-, Land- en Volkenkunde	1
The American Economic Review	1
Law and History Review	1
The Brown Journal of World Affairs	1
Library Trends	1

The Historical Journal	1
World Politics	1
The Journal of Economic History	1
Natural Resources Journal	1
The Review of Economics and Statistics	1
Peace Research	1
The University of Chicago Law Review	1
Pharmacy in History	1
Disaster Prevention and Management: An International Journal	1
Business History Review	1
Economica	1
Post-Medieval Archeology	1
Multinational Business Review	1

Source: prepared by the authors.

After tabulating the data, the sample was classified according to Table 2. There is a great emphasis on studies on interstate conflicts (n = 50) whose number is more than double the number of studies on intrastate conflicts (n = 19). Eight studies in the sample do not have a conflict of a defined nature, four of which address terrorism.

Regarding the regions analyzed, it is noted that almost half of the sample (n = 36) covers the United States (n = 21) with the region of Great Britain coming in second (n = 16)[1], and the third most analyzed country is Nigeria (n = 5). As for the unit of analysis, studies on certain economic activities (n = 44) stand out in the sample followed by studies that approach the market in general (n = 23). Finally, a lower occurrence of studies on specific firms is evident (n = 11). Regarding the research method, qualitative studies are the majority (n = 45) followed by quantitative studies (n = 32).

Together, through content analysis, common analytical categories were organized into five research groups, namely: profit and loss control (n = 13), doing business in the war (n = 31), war emerging markets (n = 11), war and natural resources (n = 15), and war and business risk (n = 8). The studies were also classified according to the treatment of different moments of the war. In this sense, those materials that mentioned moments prior to the outbreak of armed conflicts were classified as pre-war, as war those that specifically addressed the moment of conflict, and as post-war those who carried out their studies at moments after the end of the armed conflict. When it was not possible to classify, we registered them as undefined.

Table 2

Journals with the most publications on the topic

Research cluster	**Conflict**	**Method**	**Unit of analysis**	**Moment of conflict**	**Articles**
Control of profit and loss	Interstate	Quantitative studies	Sector	War	Streb, 2009
		Qualitative studies	Market	War	Plehn, 1920; Withrow, 1942; Hensel and McClung, 1944; Walsh, 1944; Rollings, 2001; Maltby, 2005; Wilson, 2010
	Undefined	Qualitative studies	Sector	Undefined	Byrne, 2007
	Interstate	Qualitative studies	Market	War	Lindsay, 1918; Kent, 1943
				Post-war	Mischler, 1946
Doing Business in War	Interstate	Quantitative studies	Market	War	Mason, 1966; Overton, 1986; Dumenil, Glick and Lévy, 1993; Yasuyuki, 1996; Baten and Schulz, 2005
				Pre-war War Post-war	Arnold, 1999
			Sector	War	Scott, 1917; Mudgett, 1920; Cohen, 1943; Kendall, 1948; Dewey, 1984; Jackson and Worthen, 2002; Crowe, 2007; Barker, 2017
				Pre-war War Post-war	Neumann and Shenhav, 1977
				War Post-war	Baxter, 2007
			Firm	War	Olukoju, 1992
		Qualitative studies	Market	War	Breazeale, 1994
			Sector	War	Covert, 2003
			Firm	War	Scheiber, 1969
				War	Gurda, 1994; Schneider, 2002; Neavill, 2007; Witkowski, 2009
				War Post-war	Cheung, 2016

	Intrastate conflicts	Quantitative studies	Sector	War Post-war	Presečan, 1993; Ban and Vrtiprah, 1999
War emerging markets	Interstate	Qualitative studies	Market	Post-war	Meharg, 2003
			Firm	Post-war	Kreutzmann and Schutte, 2010
			Sector	Undefined	P. O'Malley, 1988; Kyriazis, Metaxas and Economou, 2015
		Quantitative studies	Sector	War	Neal, 1977; Conybeare and Sandler, 1993
	Intrastate Conflicts	Quantitative studies	Sector	Post-war	Mehlum, Moene and Torvik, 2002
		Qualitative studies	Market	War Post-war	King, 2001
			Sector	Undefined	Nordstrom, 2001
				Post-war	Cochrane, 2015
				War	Lindley, 2009
			Firm	Post-war	Schmid, 2006
	Undefined	Qualitative studies	Market	Undefined	Nordstrom, 2008
			Sector	Undefined	Nagaraj, 2015
			Firm	War	Anderson, Markides and Kupp, 2010
War and natural resources	Interstate	Quantitative studies	Sector	Pre-war	Nitzan and Bichler, 1995
				War	Dumett, 1985
		Qualitative studies	Sector	War	Kassicieh and Nassar, 1986; Tsokhas, 1993
	Intrastate Conflicts	Quantitative studies	Sector	War	Akcinaroglu and Radziszewski, 2012
		Qualitative studies	Market	War	Ifeka, 2004
			Sector	War	Francis, 1999; Patey, 2007; Obi, 2008; Orogun, 2010; Ayres, 2012; Tsabora, 2014
				Pre-war War	Billon, 2001; Ikelegbe, 2006
	Undefined	Quantitative studies	Sector	Undefined	Lahiri, 2010
War and business risk	Interstate	Quantitative studies	Market	Pre-war	Ferguson, 2006
			Sector	Pre-war War	Damar, 2007
		Qualitative studies	Sector	War Post-war	White, 2010

			Firm	War	Smith, 2016
	Terrorism	Quantitative studies	Market	Undefined	Omay, Araz-Takay, Eruygur and Kiliç, 2013
		Quantitative studies	Market	Undefined	Ramiah and Graham, 2013
			Sector	Undefined	Wynne-Hughes, 2012
		Qualitative studies	Firm	Undefined	Howie, 2009

Source: prepared by the authors.

Research clusters

Profit and loss controls

The literature that associates war with business from the perspective of profit and loss control discusses the results derived from State intervention actions in the profitability and losses of companies. The profit controls that appear in the sample are taxes (Plehn, 1920), contract renegotiation (Streb, 2009; Wilson, 2010; Withrow, 1942), purchase planning (Withrow), and profit percentage limitation, price control and setting, and taxation (Hensel & McClung, 1944). Most authors (Plehn, 1920; Hensel & McClung, 1944; Walsh, 1944) question the effectiveness of this type of control if it comes from the State. Streb, for example, shows how firms managed to circumvent the Third Reich's control mechanisms, rendering them ineffective thanks to their bargaining power.

In this direction, Withrow (1942) carried out comparative work on the control of war profits during World War II in the United States and Canada. He points out that in the Canadian territory, purchase planning was used to prevent the emergence of exorbitant profits and when it was not the case of government purchases, control was done through taxes. The author concludes that the Canadian method was unnecessary in the government's own view after a three-year experience of war, suggesting that the country's businessmen were either not interested or did not feel encouraged to profit from the conflict. In this way, excess profits were virtually eliminated in Canada, while at the same time local manufacturers felt encouraged to increase production capacity and reduce manufacturing costs in their country's war effort.

As Plehn (1920) and Hensel and McClung (1944) also point out, Withrow's (1942) research suggests that the method of control matters less than the entrepreneur's own moral willingness to profit exaggeratedly in a war because prices and profits are not the main issue considered in the outbreak of war. The State, however, may feel like it needs to undertake large acquisitions as quickly as possible and make its purchases paying high prices since the market is profit-oriented (Hensel & McClung). Thus, the problem of war profits is not only moral, but also material and budgetary. Considering this aspect, it becomes impossible to limit prices of war material because the manufacturers will simply refuse to sell. Therefore, price control and, consequently, profit control must be realized in a well-adjusted manner to satisfy the material needs of war (Walsh, 1944). Thus, viewing the phenomenon solely through the lens of morality will only have an effect if the entrepreneur himself interprets war profit as morally unwanted.

This idea gains strength when we observe the use of Corporate Social Responsibility (CSR) as a way of limiting profits. This is because instead of having an external origin such as state controls, this control comes from the entrepreneur himself, which occurs for ideological reasons and/or demands related to the consumer, which oblige him not to displease public opinion (Rettberg, 2016) and suggested by Maltby (2005) and Byrne (2007). Maltby (2005) highlighted that companies reacted to certain issues imposed by the First World War such as accusations of war profiteering[2] through speeches by their executives in which they refuted accusations and defended their organizations. Wilson (2010) also brings discourses with the same bias to reflect in this same direction on the influence of public opinion on the war economy. In the same vein, Byrne (2007) dealt specifically with arms manufacturers, evaluating them from the perspective of environmental responsibility, social equality, profitability, and the use of political power. He concluded that the industry does not meet the minimum requirements of corporate social responsibility regarding these aspects. In the context of the Ukraine war, despite the companies not being physically close to the combat zones in Ukraine, CSR can help explain the phenomenon of aversion to the Russian market on the part of the companies mentioned in the introduction (Dai, Eden , & Beamish, 2016).

In the sample there are also articles that pointed out that the State was equally concerned with limiting the losses of businessmen and economic groups during the war, using tax compensation (Kent, 1943; Mischler, 1946) and war insurance (Lindsay, 1918) as the main instruments. Regarding tax offsets, the works of Kent and Mischler addressed The Revenue Act of 1942 in a very descriptive way. While Kent focuses mainly on the deduction of losses incurred abroad, Mischler investigates the new taxation of assets eventually recovered by the business after the end of the war. Lindsay, in turn, presents the War Risk Insurance Act of 1914, which instituted insurance to protect ships and cargo against the risks of war, which was later extended to the crew.

Therefore, based on the reflections arising from these studies, it was possible to derive the following theoretical propositions:

P1. Interventionist measures proposed solely by the State to control war profits are ineffective.

P2. Ethical controls involving the company itself to respond to public opinion are effective in controlling war profits.

Doing Business in War

Regarding the act of doing business in the context of interstate conflicts, the sample allows a review compartmentalized by unit of analysis that is separated by market, sectors of the economy, and firm.

From the perspective of the markets, it is evident that there is some uncertainty regarding how favorable the war is. Among the authors who observe armed conflict as a favorable environment for business, Mason (1966) addressed business activity in New York City during the American Revolution. Based on his analysis, it is shown that despite the losses in the war, business was quite strong at the time to the point that this revolution promoted new economic growth in the city. Many entrepreneurs and landlords built new fortunes or increased existing ones, which Mason sees as positive. In the context of Kenya in the First World War, Overton (1986) presented a favorable market for settlers. In the context of the Second World War, Duménil et al. (1993) analyzed the profitability of companies in the US market and showed based on a series of econometric calculations that the war brought a sudden recovery in corporate profits during the conflict, having been favored by the sudden change in technology at the time.

On the other hand, Arnold (1999) highlighted British industry in the period before, during, and after the First World War, concluding that the war did not favor those who sought excessive profits in this sector. The apparent high profitability was just a "monetary illusion" since after discounting such items as wages, interest, depreciation, and taxes, profits were not exorbitant. Baten and Schulz (2005), in turn, concluded that the war benefited a small number of German businessmen during World War I, reinforcing that most companies did not make high profits in the war and the few outliers that did make a more exorbitant profit got the fame of war profiteers. This was because, in fact, German companies experienced a much lower profit compared to other companies on the international stage. Yasuyuki (1996), on the other hand, addressed aspects of the activities of Japanese companies in Indonesia during the Second World War, showing that the businesses were not very profitable. In this way, the author suggests that the companies' objective was to obtain concessions in the post-war period since the large economic groups, in addition to not making a profit, disputed among themselves the concessions after the war, which involved a special relationship with military authorities.

With respect to specific fields of economics, Mudgett (1920) approached sectors of US industry such as iron, steel, engines, and leather and measured corporate profits during World War I, concluding that all sectors had a solid increase in profits. Cohen (1943) analyzed the profits of the Russian industry in the metallurgical, textile, and food sector, concluding that the profits of the sectors in the two years following the period 1913-1914 were multiplied by more than 4.5 times compared to the equivalent previous period. Along with the start of taxation of "abnormal" profits by the government, which is seen by the author as a business partner, the value of profitability remained high. Cohen also emphasized that there is a direct relationship between the increase in profits and the degree of participation in war production. Dewey (1984), in turn, analyzed the profits of the agricultural sector in the United Kingdom during the First World War, seeking to relate these profits to government policies of the British state that forced farmers to plant cereals and potatoes in areas that were not suitable for this kind of crop (Crowe, 2007). The article concluded that, although the government's forced production policy negatively affected profits, in general, farmer gains were quite high considering the pre-war years.

Neumann and Shenhav (1977) approached the Israeli insurance sector during the Yom Kippur war showing that, contrary to what was expected, neither the war nor inflation affected the sector negatively, and the years 1973 and 1974 were the best so far. This was because, in addition to the war economy having favored profits, insurance companies also obtained income from investments in the bond market, granting loans indexed to the Consumer Price Index (CPI) and guaranteed by the government.

Jackson and Worthen (2002) addressed the US pharmaceutical retail sector in World War II showing that the sector's profits were high compared to pre-war years, The period was marked by an increase in sales and an emphasis on the prescription drug service as a profit center. Barker (2017), a scholar of the UK pottery sector, reports that the First World War brought at the beginning of the conflict opportunities for expansion, development, and repositioning in the global market due to the naval blockade of ports, which ended up preventing the trade of cheaper porcelain from Germany and the Austro-Hungarian Empire, which were products that directly threatened English porcelain. By taking advantage of the opportunities opened by the blockade, English artisans were not only able to serve their market, but also expand their domain to other countries that consumed competing products, which promoted the recovery of the local sector that had been in decline. Covert (2003) dealt with another area, advertising, and showed that during the Second World War US companies in the sector both resisted the war and profited from campaigns to sell the idea of war itself in addition to other products.

Baxter (2007), in turn, brings another view, analyzing the Japanese banking sector in the period between the Manchurian Incident (1931) and the end of the Pacific War (1945) in the context of World War II. The author discusses the aspects involved in the losses derived from the war through the actions that companies took to raise funds and use them in a productive and profitable way, but were not very successful since the situation of banks in 1945 was practically null profitability in a negative financial situation.

In the same direction, Scott (1917) addressed the losses of the British merchant navy during the Napoleonic wars showing that the merchant navy suffered casualties, which would have been a great disaster if the country had not invested in the construction of new ships. Kendall (1948) extended this debate: during World War II, the British merchant navy suffered damage that was not fully repaired.

Presečan (1993) and Ban and Vrtiprah (1999) addressed tourism sector losses in the Croatia region in the context of the conflicts that occurred in the 1990s, pointing out the damage to hotels, infrastructure, natural and cultural heritage, historical monuments, reduction in traffic of tourists, and other loss factors. These articles, however, converse in an antagonistic way with the work of Cochrane (2015) on dark tourism, but this article will be discussed in the section on emerging war markets.

What some of these studies have in common is the fact that they show that the sectors involved in the war production chain had increases in profits and the fact that they address the reality of the First World War, which by States mobilizing a large amount of military and economic resources, is considered a total war where there is a need to use these resources in their entirety (Spiegel, 1940). In this context, if the State wants to emerge victorious, it needs to become a major buyer and at the same time shape the internal market so that it provides what is necessary to participate in the war effort. It is possible, therefore, that this occurs for two main reasons. First, by buying as much as possible in its own market, the state reduces its dependence on external markets that may be unavailable at the time whether for economic or political reasons. Tsokhas (1993) addressed an example of using market closures as a way of denying strategic resources to enemy countries, in this case wool. Second, by keeping financial resources within its own territory, the state promotes national economic development and denies a potential enemy the financing of its own economic development (Spiegel, 1940). In the study of sectors not directly related to the war, it is noted that studies on business success generally seek to show the behavior of companies. In the case of the sample studies, it was characterized by adaptation (Baxter, 2007; Jackson & Worthen, 2002; Neumann & Shenhav, 1977) or taking advantage of opportunities arising in the environment (Barker, 2017; Covert, 2003).

Thus, by grouping studies and considering the countries involved, the conflicts, and comparing the performance of businesses with the success of the countries of origin in the conflict, we realized that in eight among ten articles about war as a source of profit for business, the countries directly involved in the conflicts were successful. In one case (Overton, 1986), the country under study was Kenya in the First World War, although it is not possible to fail to observe that the colonizing country won the war with Overton addressing the prosperity of the British colonists during the conflict. On the other hand, six studies out of a total of ten that demonstrate that there was no profit in the conflict, in three of them the country of origin of the business was defeated during the war.

Regarding studies aimed at understanding the firm as a unit of analysis, Scheiber (1969) studied the history of the American International Corporation (AIC) created from the opportunity generated by tax problems experienced by other countries, operating in the international finance and business sector where it intended to “carry American capital into foreign fields, and to open the markets of the world to American mining and electrical machinery, harvesters, clothing, and foodstuffs” (p. 487). Scheiber pointed out that if, on the one hand, the founding of the company was part of a historical continuity that was part of the strategy of expanding US capital investment, on the other hand it represented an entirely new context of economic development created by the First World War, which gave rise to new opportunities emerging from conflict.

Olukoju (1992) approached aspects of the freight market during the First World War, a time when it was essential for maintaining trade links between Great Britain and its colonies, with a specific look at Nigeria and the activity of the Elder Dempster Shipping Company, which had a monopoly on this type of market during the war. The work shows that the company managed to make great profits during the war while managing to meet the state interest in connecting Nigeria with Great Britain.

Gurda (1994) analyzed the history of Milwaukee's industry during World War II, which very quickly moved from idleness—a consequence of the Great Depression—to the frenetic pace of war production. The study addresses the case of two companies in particular: Falk and Allen-Bradley, suppliers of gears and engine controls for the Armed Forces, respectively. In the author's view, the war was very advantageous for both businesses, although each had its singularities.

In Schneider (2002), the case analyzed was that of a medium-sized German company (Wanderer-Werke AG), a manufacturer of several types of products that during World War II, despite having an autonomous strategy to profit in the market, managed to take advantage of the opportunities generated by the occupation policy of the Nazi regime. In a complementary view, Neavill (2007) approached the book publishing sector during World War II showing the case of the Random House publishing house. Sales of books related to poetry and philosophy grew disproportionately in this period influenced by the psychological uncertainties of the war context. Witkowski (2009) analyzed the history of the General Book Store, a small bookstore in Chicago, showing how the sales of books, magazines, miniature kits, greeting cards, and photography products increased during the war, causing the store to have satisfactory returns.

Cheung (2016) presented the role of learning in the context of World War II in recognizing opportunities when reporting the story of the Chinese Yip family, the owners of a goods transport company. The author concluded that the success of the Yips' business was determined by their ability to exploit organizational skills and reconfigure themselves, employing local knowledge and resources.

Therefore, from this debate it was possible to derive some theoretical propositions:

P3. Companies profit more during the period of total war as they are part of sectors participating in the supply chain for war production.

P4. Firms/sectors unrelated to the war supply chain need to develop adaptive strategies to survive in the context of conflict.

War and natural resources

Dumett (1985) addressed the relationship between war and African strategic minerals in the context of World War II. The author shows that the conflict forced states to take control of strategic natural resources on an unprecedented scale. Coupled with Germany's dominance of the European continent, this forced the Allies to seek resources in peripheral regions. In the author's view, this ended up reproducing the mercantilist logic of exploitation of Africa by great powers, but on the other hand, it increased the presence of multinationals on the continent, favoring the development of the economy.

Tsokhas (1993) analyzed the political and economic conflict between the British and Australian governments during World War II motivated by the controversy over what should be done with Australian wool. The conflict existed because, while Great Britain saw the product as a strategic natural resource to be used in an economic war, Australia saw wool as a commercial product that should be sold at the best price. So, while the British tried to mobilize the resource to ensure their own supply, deny wool to Germany, and use it in negotiations with Japan and the United States, the Australians wanted to sell the product to Japan, not just to promote a peaceful relationship, but also to make a profit.

Kassicieh and Nassar (1986), in turn, analyzed the effects of political risk on governments and multinational companies in Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates in the context of the Iran-Iraq war, suggesting that the conflict was not able to change the behavior of companies as they performed short-term operations and with a form of payment less threatened by political risk. Paradoxically in these cases, multinationals were most affected in their home countries due to changes in oil supply.

Nitzan and Bichler (1995) showed that the politicization of the oil business, in addition to commercializing weapons, gave rise to a Weapondollar-Petrodollar Coalition among the main military and oil services companies. For these authors, all energy conflicts since 1967 could have been predicted by setbacks in the profits of the largest oil companies. When profits fell, Weapondollar and Petrodollar came together and a new energy conflict emerged.

In these articles it is possible to clearly identify two approaches. The first refers to the role of natural resources in a total war, in this case World War II addressed by Dumett and Tsokhas. In this environment resources become strategic as they will ensure the necessary support for States to remain in the fight. For this reason, in general, the resources take on a political and strategic character, making even a country that is self-sufficient in a certain raw material try to capture as much as it can from all the resources in as many places as possible so as to ensure the supply of their internal market and deny the enemy the possibility of using them. This makes the State see resources differently from market actors who will tend to sell them to whoever is willing to pay more.

The second approach is the one that points to natural resources as the very reason for the existence of the conflict. Thus, Kassicieh and Nassar (1986) presented the fact that oil can be seen as the main cause of all energy conflicts since 1967. Nitzan and Bichler (1995) analyzed the context of the Iran-Iraq war in which the conflict was able to put a brake on the oil industry, which would have influenced the beginning of the conflict in the authors' view.

In the case of studies that address intra-state conflicts, part of them dealt with the factors that favored the use of resources as a driver of conflicts, especially in cases involving African countries. Thus, in the view of Tsabora (2014), the failure of institutional and legal infrastructures in African countries, especially during armed conflicts, prevents the State from acting correctly, especially in cases of illegal exploitation of resources. Another factor that stands out in these contexts is the union between organizations with economic and military power that have sought to legitimize global militarization under slogans such as "protecting freedom", thus ensuring resources such as oil and gas for use by countries such as the United States and China with the consequent promotion of corporate profits. This vision, which is very close to that of Nitzan and Bichler (1995), was also specifically explored on the African continent by Ifeka (2004).

Another aspect that the literature brings is the dynamics of conflict feeding from the exploitation of natural resources and its consequences. Billon (2001) studied the importance of oil and diamonds during the Angolan civil war between 1975 and 2000 showing that the exploitation of these resources, among other aspects, financed and motivated military operations beyond the context of the Cold War. In this case, the financial flows linking rebels and war profiteers to markets in industrialized countries directly influenced the strategy of the warring factions. Within this same approach, Ayres (2012) dealt with the international trade of coltan, a mixture of minerals from which tantalum and niobium are extracted, addressing the damage caused by mining in the Democratic Republic of Congo.

Another aspect refers to using Private Military Companies (PMC) in interstate conflicts fueled by natural resources. Akcinaroglu and Radziszewski (2012) analyzed the impact of this type of organization on the duration of Africa's civil wars between 1990 and 2008, showing that if competition between PMCs increases, they are more likely to do a good job and help end the acts of violence. On the other hand, if there is no competition, companies will try to extend the conflict to maximize profits. Thus, benefiting PMCs with compensatory contracts with the objective of extracting natural resources can increase the incentive for companies to deliver a better service to end the conflict. However Francis (1999), in a previous study, had already shown that this seems unlikely as mercenaries do not provide security to the local population and accentuate international exploration despite payments and mineral concessions.

A third approach refers to the behavior of companies to factors that facilitate their operations in environments of intrastate conflict. Three of these studies deal with the Niger Delta region. Ikelegbe (2006) showed that multinationals grant benefits to the government and citizens with the intention of developing economic activities in the region, which in practice only encourages the ongoing conflict as it ends up increasing disputes between rival groups. Obi (2008) analyzed the consequences of the entry of Chinese state-owned companies in the region, verifying how they responded to the threats that the rebels could pose to their interests. The results showed that, although the companies did not receive any hostility at the beginning of the enterprise in the country, it was necessary for them to adapt and plan considering mainly the possibility of greater extraction of oil from the region and observing the possibilities of change in the forces of local groups. Orogun (2010), in turn, analyzed the dynamics between oil multinationals, the State, and militias in the region, focusing on the causes, divisions, and political economy of conflicts induced by natural resources. The author concludes that the conflict in the Niger Delta is directly linked to who owns the crude oil and to the role of natives in oil-producing communities in determining how and where oil revenues should be allocated. Thus, to seek a solution to the conflict on the ground, it is necessary to consider issues such as ethnicity, fundamental affinities, and the reconstruction of government.

On the relationship between states in conflict situations and companies, Patey (2007) showed how the strategic behavior of companies is influenced by political pressures. Addressing specifically the civil war in Sudan, the author analyzes how large companies in the oil sector—Chevron and Talisman—were forced to withdraw from the country due to a bad relationship between the US government and the African country. Meanwhile, small European companies—Lundin and OMV—protected by the idea of constructive engagement, managed to stay in the country. In addition, the work pointed out how Chinese state-owned companies managed to have a dominant presence in the country as a result of a good relationship with the Sudanese elite.

A fourth and final approach deals with possible solutions to these conflicts. Although Akcinaroglu and Radziszewski (2012) and Orogun (2010) have addressed possible factors for resolving conflicts on the African continent to a certain extent, only Lahiri (2010) was more incisive about possible solutions. The author studied the effects of four policies available to the international community with the objective of resolving conflicts involving “blood diamonds”: foreign aid, taxes on the export of military material, taxes on “blood diamonds” (an indirect trade sanction), and taxes on diamond exports in general (“blood” or not) from conflict zones. The conclusions pointed out that actions by the international community can have consequences in conflict zones. For example, the sale of weapons and the purchase of diamonds can increase and finance the war, respectively, and when this occurs together, the result can be even worse. In this sense, of the four international policy options, foreign aid was identified as unlikely to work as an increase in the belligerents' income could increase the probability of acquiring weapons.

Faced with such arguments, it was possible to extract the following theoretical proposition:

P5. Armed conflicts over an energy resource are more likely to occur when companies that exploit the resource show reduced profits in the exploratory activity.

War emerging markets

As evidenced by the literature, there are companies that profit in war contexts while others accumulate losses, but there are also those whose business is the war itself. P. O'Malley (1988) helps to understand this phenomenon by providing a historical account of the development of this type of business and the role of privateering, which emerges as a form of privatization of means of violence. Driven by profit, pirates waged war on the seas with the aim of capturing enemy ships and their cargo, which in addition to not generating costs for the State, yielded revenues to the State as the government generally received a share on pirate gains. With the end of this activity in 1856, it was realized that the interests of states and businessmen could only be guaranteed by naval forces that were not guided by profit but by strategic objectives. This exposes two logics: the interests of capital encourage international pacification, or at least this specific form of peace in a naval environment, and the effectiveness of naval power as a concern of the State depends on the discipline of the means of violence.

Kyriazis et al. (2015) complemented this view showing that privateering flourished best in states with relatively weak central authorities as statesmen needed to create profit-oriented organizations so as to face external threats. In this way, it is concluded that the development of partnerships between companies with commercial and military purposes and the State is highly efficient compared to the war operations planned by the State, being the basis for the construction of the naval power of these governments (Neal, 1977). Conybeare and Sandler (1993) showed that piracy was a profitable activity.

Thus, with the loss of strength of privateering at least as an activity supported by the State, there was an increase in the offer of other dual-use solutions on the part of the private sector that meet the profits of private entities in times of peace and that serve the military needs of States in case of war. This refers to solutions such as the Private Military Companies (PMC), the so-called mercenaries (Kinsey, 2006), as well as the dual technologies of adaptable military use to civilian use and vice versa (Brandt, 2006). 1994).

As part of the variables that characterize the war environment, Nordstrom (2008) addressed the multiple repercussions of armed conflict such as war profiteering and forced labor. From there she reflected on whether a crisis can go beyond the borders of sovereignty and temporality, reaching private lives, economic markets, and political systems. In this context, she suggested that there are zones of fracture, vulnerabilities in defining structures of the modern state, that favor abuses of power, exacerbated profit, institutionalized inequalities, and human rights violations.

Anderson et al. (2010) point out that at the base of the pyramid there are unexplored markets that demand specific strategies and success factors: conflict zones, slums, and rural areas in the interior. The authors show that to operate in these locations, companies need to go beyond transactional partnerships, gaining trust and investing in communities. Furthermore, they need to do more than develop new business models, they must deploy them in inhospitable and often dangerous areas, scaling in coexistence with the existing business model. For these authors, companies that adapt to the reality of doing business in these places have the potential to grow and profit while helping to develop the region in a positive way.

Nagaraj (2015) examined the political economy of the convergence between for-profit international development contracting and private military contracting, showing how for-profit development companies have managed to integrate into the global corporate-financial architecture and global development regime, which contributed to its growth. After mapping specific modalities and opportunity structures that allow entrepreneurs to consolidate their influence on the international development regime, the author traces the blurring of the boundaries between development and security. In addition, he addresses how this blurring is used by development entrepreneurs and PMCs, showing how the market-oriented security and development set and the birth of the PMC profit equally from war, peace, reconstruction, and technological advancement.

First, it is clear from these studies that the Nordstrom fracture zones show that in the outbreak of the conflict, in general, there is institutional failure of the state apparatus, which opens the opportunity for economic groups to come with the security/development/reconstruction package as suggested by Nagaraj (2015). As the State may not be working properly, entrepreneurs will need to look for groups that will make their operations viable in the community itself, which applies not only to security and development companies, but also to any other economic group, as pointed out by Anderson et al. (2010).

Meharg (2003) addressed post-war reconstruction by pointing out that conflicts and reconstruction are activities oriented by profit, overcoming issues such as national sovereignty or humanitarian issues. Kreutzmann and Schütte (2010) dealt with the reconstruction of the Afghan economy harmed by numerous conflicts, specifically addressing the episode of the New Baghlan Sugar Company as a case of partnership between Afghanistan and Germany, which included the government and entrepreneurs from both countries. The article shows the barriers that hampered the public-private partnership, among which was the fragile situation in Afghanistan that was added to the bankruptcy of the State, which did not allow development of any kind, and the need for rapid generation of profits as opposed to a long-term development project.

King (2001) addressed the business benefits of ethnic warfare and analyzed how the chaos of armed conflict can turn into networks of profit and how these informal networks are elaborated, molding themselves to the institutions of the States. The article shows that the separatists of the late 1990s became the state makers of the early 2000s, creating unrecognized countries that developed administrative and institutional capacities as developed as those of the states of which they were a part. In this context, both separatists and central governments benefited from production and trade that was not taxed within these unrecognized countries.

Nordstrom (2001) showed how political violence affects girls, arguing that because they are “invisible”, little is known about what happens to young women in war zones, They are used in profit networks that take advantage of this condition, generating income through sexual exploitation and child labor at both a domestic and industrial level.

Mehlum et al. (2002) dealt with violent entrepreneurs in failed states. As they are not able to ensure public security and protection of private property, they allow violent entrepreneurs to seize two possibilities for profit: robbery and theft and protection against robbers. With the end of the Cold War, this market was invaded by unemployed ex-combatants who proved to be highly qualified for violent and lucrative activities. The article concluded that this environment greatly increases profitability whenever a new entrant appears in the market, increasing the gains in looting and the price of protections.

Schmid (2006) addressed the reconstruction of Beirut after sixteen years of civil war in Lebanon. That task fell to private capital whose profit-oriented process evicted tenants, homeowners, refugees, and even former elites to make way for a new group of war profiteers and investors. They brought a concept of urban development and governance that in practice led to a privatization of urban space and a profit-oriented reconstruction.

Lindley (2009) showed the emergence of money transfer infrastructure in Somalia, connecting war-torn regions, refugee camps, and remote rural areas with the rest of the world, showing how crises can be opportunities for entrepreneurs who are able to adapt and use social ties. Cochrane (2015) addressed the concept of tourism in the aftermath of the war, a facet of the so-called dark tourism[3], showing how tourist activity in Northern Ireland is being inserted into a politically biased strategy of conflict transformation. In addition, the author argued about how business in the sector can be a lifeline for war-torn locations.

Except for Cochrane (2015), most of these studies share the same point: the institutional disruptions of war zones generate profit opportunities for entrepreneurs. However, this profit should not be taken for granted or easy. Lessons such as Schmid's (2006) show that local groups can resist the process of capital accumulation.

With this, the following theoretical proposition can be made:

P6. Firms/sectors with the potential to offer dual solutions approach the state even before armed conflict, and their solutions are adapted to meet the war effort.

War and business risk

In addition to the opportunities that can be generated in a war environment, it should be noted how much armed conflict represents a highly relevant indicator when measuring the political risk of a given country. In this sense, some studies have sought to identify how these events can impact business, especially in long-term equity investments. In this direction, Omay et al. (2013) studied the relationship between foreign direct investment (FDI) and terrorist attacks in Turkey between 1991 and 2003, concluding that terrorism had a very large negative impact on FDI, being more severe during periods when the intensity of terrorism exceeded a certain limit. Ramiah and Graham (2013) showed that the consequences of terrorist attacks go beyond what is reported in the press, so investors can be negatively affected by this type of event. It is concluded that in Indonesia, equity portfolios were negatively affected by the September 11 and Bali attacks in 2002.

Howie (2009), addressing the role of business in the War on Terror, shows that companies, in order to engage with counterterrorism, use attitudes and techniques to create an appearance that reduces the perception of customers and the general public about the risk of terrorism. Wynne-Hughes (2012) analyzed how travel guides attract tourists by representing part of the Egyptians as “bad” Muslims, that is, a threat to tourists. This leads to the justification of creating states of exception, which exclude these “bad” Muslims and protect tourists. This strategy works to represent Egypt as a non-threatening place, conveying an image of security to the tourist.

Regarding the risks inherent to terrorism, the sample presents two approaches. The first shows the impact of the phenomenon on investments whether through FDI or the financial market. Two of these studies (Omay et al., 2013; Ramiah & Graham, 2013) conclude that terrorism negatively affects investments. Another approach points out how certain companies deal with this type of risk (Howie, 2009; Wynne-Hughes, 2012), demonstrating that businesses tend to deal with the fear of terrorist attacks conveying an image of security to employees and customers.

Regarding the assessment of the risk of war associated with financial markets, Ferguson (2006) used price information and editorial comments from the press to measure the impact of political events on investor expectations from the mid-19th century to the beginning of the First World War. From there, he seeks to understand why the London bond market, the largest financial market in the world at the time, was much less impacted in the years closer to the war. The study suggested that while an increasing national separation of bond markets offers a better explanation, this factor does not explain the failure to anticipate the risk of the outbreak of conflict.

Damar (2007) sought to find out whether a large-scale geopolitical event, the war in Iraq, can affect the pattern of lending from developed countries to emerging countries. The author analyzed the effects of economic shocks and the Iraq war on the availability of credit from foreign banks to five countries in the Middle East and North Africa. The work concluded that the war had a variable effect on foreign banks, although it led to greater lending from US banks, while British and Italian banks felt less encouraged to lend to these regions.

White (2010) analyzed the United Kingdom's agricultural sector during the First World War, demonstrating the crisis of labor shortage as an obstacle in the interaction between State and companies, having led farmers to not cooperate with agricultural policies until the government could guarantee labor and a fair price.

Smith (2016) applied the Legitimacy-Based View (LBV) of the political risk of the Hong Kong and Shanghai Banking Corporation (HSBC) in World War I, analyzing how HSBC increased its legitimacy by altering its strategy in British markets as the bank was attacked for its relationship with German partners who were seen as enemies by the British, which made the organization, for the population, not legitimate or even treasonous. The research concluded that HSBC increased its legitimacy by identifying with British patriotism and minimizing, without eliminating, its contact with German partners. In this way, the bank managed not only to survive, but to keep profiting during the war.

Therefore, within this perspective, it was possible to identify two approaches. The first is related to the perception of risk, whether of the investor with Ferguson (2006) or of banks for granting credit with Damar (2007). Ferguson (2006) addressed the perception of the occurrence of the conflict itself, which already brings several inherent risks to the financial market. In Damar (2007), on the other hand, the risk of non-payment as a consequence of the war was addressed. The second approach deals with the reaction of entrepreneurs in relation to risk. White (2010) analyzed the risk of reduction or interruption of activities due to lack of manpower given the enlistment for military service, which caused a movement of antagonism of the sector in relation to the State. Smith (2016), in turn, studied the risk of interference in business activities due to public opinion, which was remedied with an approach to popular culture and a relative distance from the reason that influenced public opinion, which in this case was proximity with the Germans.

The following theoretical proposition was derived from this debate:

P7. Terrorist actions drive away capital, whether from Foreign Direct Investment (FDI) or investments in the financial market.

Discussion

From the integrated analysis of the literature revisited, it was observed that in war the relationship between business and States is marked by the dynamics of approximation, antagonism, and rapprochement. In the pre-war period, in general, States find themselves in the condition of *Parabellum* when they seek to prepare for possible armed conflicts. At this point, businesses approach governments to offer solutions, whether war-specific or dual, which are solutions with both in- and out-of-war applications (Kyriazis et al., 2015). Together, in the pre-war period we noticed the existence of approximations made between businesses (Nitzan & Bichler, 1995).

During armed conflict, although the war economy keeps States and businesses in tandem, profit controls cause an antagonism between them. While businesses seek to increase their gains, States try to reduce these gains to acceptable levels. For this reason companies tend to take advantage of state fragility zones where the state is less able to control (Akcinaroglu & Radziszewski, 2012; Anderson et al., 2010; Francis, 1999; King, 2001; Lindley, 2009; Mehlum et al., 2002; Nordstrom, 2008; Tsabora, 2014) to undertake ventures that may take the form of regular, informal, or even criminal activities. Thus, it is assumed that when deciding on the application of resources, the entrepreneur develops strategies to assess risks and opportunities, taking measures to mitigate eventual losses (Howie, 2009; Ikelegbe, 2006; Kassicieh & Nassar, 1986; Patey, 2007; White, 2010; Wynne-Hughes, 2012).

With the end of the war, businesses and states reapproach as states need to rebuild both physically or institutionally and prepare for new conflicts (Kreutzmann & Schütte, 2010; Meharg, 2003; Schmid, 2006). To portray this dynamic that integrates the perception of war risks and opportunities for business associated with wartime, a framework was developed to support future studies whose purpose is to explore the subjects of this research agenda, as shown in Figure 1.

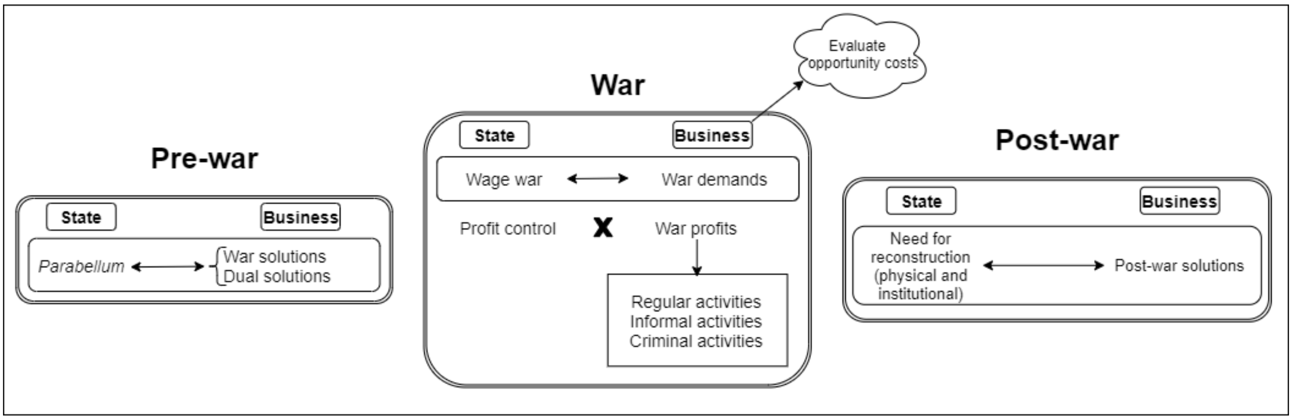

Figure 1 - Relationship between business and states in the war timeline

Source: prepared by the authors

Conclusion and opportunities for future studies

The main objective of this study was to identify and group what has been scientifically produced on the subject that correlates war and business. As a result, five research clusters and seven theoretical propositions were identified. In the first cluster, in general terms, the studies discussed the role of States in controlling profits and losses by companies. In this context, there is not only a concern to guarantee the survival of companies within an environment of high instability, but also the objective of preventing them from being able to profit exorbitantly by taking advantage of market gaps caused by the war. On the issue of war profits, studies have converged on demonstrating that state control actions are ineffective, highlighting endogenous moral pressures on companies as more effective.

Studies that sought to evaluate the behavior of specific sectors or companies during conflicts were grouped in the second cluster, making it possible to identify that companies or sectors with profit margins in these contexts, in general, are those that participate in the supply chain of war, approaching as strategic partners of the State. On the other hand, those who accumulated the most losses were linked to states that lost the war. Therefore, although it is not possible to make generalizing and standardized statements about the literature analyzed, the suggested theoretical propositions seek to point out ways for future empirical studies to test them qualitatively or quantitatively.

Regarding the research cluster identified as war and natural resources, the main notes brought by the literature demonstrate a relationship between the reduction of profits from the exploratory activity of a certain energy resource by companies and the chances of starting a new conflict. Likewise, several studies have pointed to a greater propensity to the outbreak of conflicts in developing countries with an abundance of strategic natural resources.

Other works dedicated to understanding the markets that emerged from the war and demonstrating the adaptive capacity of certain companies and sectors, were also grouped in a cluster. In this case it is worth mentioning the role played by companies whose products/services can offer dual solutions to the State, being able to act in times of peace and war.

In the cluster called war and business risk, the main points were in relation to the propensity of capital flight from countries involved in conflicts. Therefore, it becomes necessary for companies to develop risk mitigation strategies not just related to the real risk with the conflagration of war, but also the risk of the very perception of security.

Based on this, the research and theoretical propositions derived from the analyses were articulated in an analytical framework that considered the time of war. We observed this because we noticed that the opportunities and risks to business are linked to specific sectors of the economy, to the involvement of companies in the war production chain, and to the moment of their action in articulation with the State.

Therefore, through the consolidation of data, it was possible to show that social and institutional interactions make war this peculiar environment characterized by the dichotomy of attraction and repulsion to business. It was also possible to conclude that the literature dedicated to the subject has been dispersed in different areas of knowledge, not translating into a solid research agenda, lacking depth and crossing the results already achieved. Therefore, from this gap several possibilities of deepening future research were evidenced, which may subsidize managers in the formulation of business development strategies and in the mitigation of risks, especially directed to markets with greater political and institutional instability. These suggestions are listed below:

1. Researches that explore diverse contexts of war in different states apart from traditionally addressed states such as the United States and Great Britain are needed when addressing interstate conflicts. In the case of intra-state conflicts, it is important to seek a different perspective from that of the states on the African continent.

2. Studies that address the impact of wars on firms are still very scarce, especially on medium and small companies.
3. It is necessary to address the issue that relates war to business from more current conflicts such as the war between Russia and Ukraine.
4. There are few studies dealing with the internationalization of companies to conflict zones.
5. There is more research approaching war from the perspective of profits and opportunities. On the other hand, studies addressing losses and risks faced by businesses during war are less frequent.
6. Opportunity costs of doing business in war-torn environments are still an under-addressed issue.
7. It is necessary to explore in more depth the dark economy, which is the economy related to the commoditization of death, which may have an even greater relationship with war than simply with tourism.
8. Business opportunities and risks in pre-war and post-war times receive less attention from academia compared to the same factors during moments of armed conflict.
9. No studies were identified that explore the performance of Brazilian companies in war and post-war contexts.
10. It is relevant to develop studies that analyze the relationship between international reconstruction funds (post-war) and the businesses that were leveraged through such investments.

References

Akcinaroglu, S., & Radziszewski, E. (2012). Private Military Companies, Opportunities, and Termination of Civil Wars in Africa. Journal Of Conflict Resolution, 57(5), 795-821. doi:10.1177/0022002712449325

Anderson, JL, Markides, C., & Kupp, M. (2010). The Last Frontier: market creation in conflict zones, deep rural areas, and urban slums. California Management Review, 52(4), 6-28. doi:10.1525/cmr.2010.52.4.6

Arksey, H., & O'Malley, L. (2005). Scoping studies: towards a methodological framework. International Journal of Social Research Methodology, 8(1), 19-32. doi:10.1080/1364557032000119616

Arnold, AJ (1999). Profitability and capital accumulation in British industry during the transwar period, 1913-1924. The Economic History Review, 52(1), 45-68. doi:10.1111/1468-0289.00118

Ayres, CJ (2012). The international trade in conflict minerals: coltan. Critical Perspectives on International Business, 8(2), 178-193. doi:10.1108/17422041211230730/

Ban, I. & Vrtiprah, V. (1999). Turizam u dubrovniku pod utjecajem rata / The influence of war on tourism in Dubrovnik. Acta Turistica, 11(2), 226-246. Retrieved from https://bit.ly/3bI8St0

Barker, D. (2017). “Business as usual”: the impact of the Great War on the British ceramics industry. Post-Medieval Archeology, 51(2), 209-260. doi:10.1080/00794236.2017.1396686

Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. Journal of Management, 17(1), 99-120. doi:10.1177/014920639101700108

Baten, J., & Schulz, R. (2005). Making Profits in Wartime: Corporate Profits, Inequality, and GDP in Germany during the First World War. The Economic History Review, 58(1), 34-56. doi:10.1111/j.1468-0289.2005.00297.x

Baxter, JC (2007). Japanese Private Sector Banks, 1931–1945: A Business Perspective. Japan Review, (19), 161-214. doi:10.15055/00000232

Bazargan, S. (2015). Noncombatant Immunity and War-Profiteering. In S. Lazar & H. Frowe (Eds.), The Oxford Handbook of Ethics of War (pp. 358-382). Oxford: Oxford University Press.

Billon, PL (2001). Angola's Political Economy of War: The Role of Oil and Diamonds, 1975-2000. African Affairs, 100(398), 55-80. doi:10.1093/afraf/100.398.55

Blakey, RG, & Blakey, GC (1942). The Federal Revenue Act of 1942. American Political Science Review, 36(6), 1069-1082. It hurts:10.2307/1949066

Brandt, L. (1994). Defense conversion and dual-use technology: the push toward civil-military integration. Policy Studies Journal, 22(2), 359-370. doi:10.1111/j.1541-0072.1994.tb01474.x

Breazeale, K. (1994). Bringing the war back home: Consuming Operation Desert Storm. Journal of American Culture, 17(1), 31-38. doi:10.1111/j.1542-734X.1994.00031.x

Byrne, EF (2007). Assessing Arms Makers' Corporate Social Responsibility. Journal of Business Ethics, 74, 201-217. doi:10.1007/sl0551-006-9228-9

Cheung, CWM (2016). Exploitative learning and entrepreneurial opportunity recognition of a family business in Hong Kong during and after the Second World War. Journal of Entrepreneurship in Emerging Economies, 8(3), 321-334. doi:10.1108/JEEE-06-2015-0035

Cochrane, F. (2015). The Paradox of Conflict Tourism: The Commodification of War or Conflict Transformation in Practice? The Brown Journal of World Affairs, 22(1), 51-69. Retrieved from https://bit.ly/3C06EQr

Cohen, T. (1943). Wartime Profits of Russian Industry 1914-1916. Political Science Quarterly, 58(2), 217-238. It hurts:10.2307/2144916

Conybeare, JAC, & Sandler, T. (1993). State-Sponsored Violence as a Tragedy of the Commons: England's Privateering Wars with France and Spain, 1625-1630. Public Choice, 77(4), 879-897. doi:10.1007/BF01048000

Covert, TA (2003). Consumption and Citizenship during the Second World War: Product advertising in women's magazines. Journal of Consumer Culture, 3(3), 315-342. doi:10.1177/14695405030033002

Crowe, H. (2007). Profitable Plowing of the Uplands? The Food Production Campaign in the First World War. The Agricultural History Review, 55(2), 205-228. Retrieved from https://bit.ly/3Ae4iMK

Dai, L., Eden, L., & Beamish, PW (2016). Caught in the crossfire: Dimensions of vulnerability and foreign multinationals' exit from war-afflicted countries. Strategic Management Journal, 38(7), 1478-1498. doi:10.1002/smj.2599

Damar, HE (2007). The Effect of the Iraq War on Foreign Bank Lending to the MENA Region. Emerging Markets Finance & Trade, 43(5), 20-36. doi:10.2753/REE1540-496X430502

Dewey, PE (1984). British Farming Profits and Government Policy during the First World War. The Economic History Review, 37(3), 373-390. doi:10.2307/2597287

Driffield, N., Jones, C., & Crotty, J. (2013). International business research and risky investments, an analysis of FDI in conflict zones. International Business Review, 22(1), 140-155. doi:10.1016/j.ibusrev.2012.03.001

Dumenil, G., Glick, M., & Lévy, D. (1993). The Rise of the Rate of Profit During World War II. The Review of Economics and Statistics, 75(2), 315-320. doi:10.2307/2109437

Dumett, R. (1985). Africa's Strategic Minerals During the Second World War. The Journal of African History, 26(4), 381-408. It hurts:10.1017/S0021853700028802

Ferguson, N. (2006). Political risk and the international bond market between the 1848 revolution and the outbreak of the First World War. The Economic History Review, 59(1), 70-112. doi:10.1111/j.1468-0289.2005.00335.x

Francis, DJ (1999). Mercenary intervention in Sierra Leone: Providing national security or international exploitation? Third World Quarterly, 20(2), 319-338. doi:10.1080/01436599913785

Gurda, J. (1994). Profits and Patriotism: Milwaukee Industry in World War II. The Wisconsin Magazine of History, 78(1), 24-34. Retrieved from https://bit.ly/3JKru8g

Hensel, HS, & McClung, RG (1944). Profit Limitation Controls Prior to the Present War. Law and Contemporary Problems, 10(2), 187-217. doi:10.2307/1190063

Howie, LJ (2009). A role for business in the War on Terror. Disaster Prevention and Management, 18(2), 100-107. doi:10.1108/09653560910953180

Ifeka, C. (2004). Market Forces, Political Violence, and War: The End of Nation-States, the Rise of Ethnic and Global Sovereignties? Social Analysis: The International Journal of Anthropology, 48(1), 97-107. Retrieved from https://bit.ly/3Qh6lVB

Ikelegbe, A. (2005). The Economy of Conflict in the Oil Rich Niger Delta Region of Nigeria. African and Asian Studies, 5(1), 23-56. doi:10.1163/156920906775768291

Jackson, RA, & Worthen, DB (2002). Retail Pharmacy Operations in World War II: A Profit and Loss Statement. Pharmacy in History, 44(4), 131-141. Retrieved from https://bit.ly/3dpakkJ

Kassicieh, SK, & Nassar, JR (1986). Political Risk in the Gulf: The Impact of the Iran-Iraq War on Governments and Multinational Corporations. California Management Review, 28(2), 69-86. doi:10.2307/41165185

Kendall, MG (1948). Losses of UK Merchant Ships in World War II. Economica, 15(60), 289-293. doi:10.2307/2549566

Kent, AH (1943). The Tax Treatment of Foreign War Losses. Law and Contemporary Problems, 10(1), 165-179. doi:10.2307/1190033

King, C. (2001). The Benefits of Ethnic War: Understanding Eurasia's Unrecognized States. World Politics, 53(4), 524-552. doi:10.1353/wp.2001.0017

Kinsey, C. (2006). Corporate Soldiers and International Security: The Rise of Private Military Companies. New York: Routledge.

Kreutzmann, H., & Schütte, S. (2010). Persistence and change of Afghan-German economic cooperation – the case of the New Baghlan Sugar Company. Erdkunde, 64(1), 1-16. doi:10.3112/erdkunde.2010.0

Kyriazis, N., Metaxas, T., & Economou, EML (2015). War for profit: English corsairs, institutions and decentralized strategy. Defense and Peace Economics, 29(3), 335-351. doi:10.1080/10242694.2015.1111601

Lahiri, S. (2010). Blood diamonds: international policy options for conflict resolution. Indian Growth and Development Review, 3(1), 5-20. doi:10.1108/17538251011035846

Lindley, A. (2009). Between 'Dirty Money' and 'Development Capital': Somali Money Transfer Infrastructure Under Global Scrutiny. African Affairs, 108(433), 519-539. doi:10.1093/afraf/adp046

Lindsay, SM (1918). Purpose and Scope of War Risk Insurance. The Annals of the American Academy of Political and Social Science, (79), 52-68. doi:10.1177/000271621807900107

Maltby, J. (2005). Showing a strong front: corporate social reporting and the 'business case' in Britain, 1914-1919. The Accounting Historians Journal, 32(2), 145-171. doi:10.2308/0148-4184.32.2.145

Mason, B. (1966). Entrepreneurial Activity in New York during the American Revolution. Business History Review, 40(2), 190-212. doi:10.2307/3112329

Mays, N., Roberts, E., & Popay, J. (2001). Synthesising research evidence. In P. Allen, N. Black, A. Clarke, N. Fulop, & S. Anderson (Eds.), Studying the organization and delivery of health services: Research methods (pp. 188-220). London: Routledge.

Meharg, SJ (2003). Post-war reconstruction: humanitarian aid or profit-driven activity? Peace Research, 35(1), 65-74. doi:10.2307/23607946

Mehlum, H., Moene, KO, & Torvik, R. (2002). Plunder & Protection Inc. Journal of Peace Research, 39(4), 447-459. doi:10.1177/0022343302039004005

Meyer, KE, & Peng, MW (2016). Theoretical Foundations of Emerging Economy Business Research. Journal of International Business Studies, 47, 3-22. doi:10.1057/jibs.2015.34

Mischler, JJ (1946). Taxation of War Loss Recoveries. The Accounting Review, 21(3), 283-288. Retrieved from https://bit.ly/3P4SJeR

Moore, RJ (2021). Emerging from war: Public policy and patterns of foreign direct investment recovery in postwar environments. Journal of International Business Policy, 4, 455-475. doi:10.1057/s42214-020-00084-4

Mudgett, BD (1920). The Course of Profits during the War. The Annals of the American Academy of Political and Social Science, 89, 148-156. doi:10.1177/000271622008900119

Nagaraj, VK (2015). 'Beltway Bandits' and 'Poverty Barons': For-Profit International Development Contracting and the Military-Development Assemblage. Development and Change, 46(4), 585-617. doi:10.1111/dech.12164

Neal, L. (1977). Interpreting Power and Profit in Economic History: A Case Study of the Seven Years War. The Journal of Economic History, 37(1), 20-35. doi:10.1017/S0022050700096698

Neavill, GB (2007). Publishing in wartime: The Modern Library Series during the Second World War. Library Trends, 55(3), 583-596. doi:10.1353/lib.2007.0017

Neumann, S., & Shenhav, Y. (1977). Short-Term Impact of War Economy on the Insurance Industry in Israel. The Journal of Risk and Insurance, 44(1), 87-102. doi:10.2307/251859

Nitzan, J., & Bichler, S. (1995). Bringing Capital Accumulation Back in: The Weapondollar-Petrodollar Coalition – Military Contractors, Oil Companies and Middle East 'Energy Conflicts'. Review of International Political Economy, 2(3), 446-515. doi:10.1080/09692299508434329

Nordstrom, C. (2001). Carita's War. Development, 44, 30-35. doi:10.1057/palgrave.development.1110258

Nordstrom, C. (2008). Global Fractures. Social Analysis: The International Journal of Anthropology, 52(2), 71-86. doi:10.3167/sa.2008.520205

North, D. (1990). Institutions, Institutional Change and Economic Performance. Cambridge: Cambridge University Press.

Obi, CI (2008). Enter the Dragon? Chinese Oil Companies & Resistance in the Niger Delta. Review of African Political Economy, 35(117), 417-434. doi:10.1080/03056240802411073

Olukoju, A. (1992). Elder Dempster and the Shipping Trade of Nigeria during the First World War. The Journal of African History, 33(2), 255-271. doi:10.1017/S0021853700032230

O'Malley, P. (1988). The discipline of violence: state, capital and the regulation of naval warfare. Sociology, 22(2), 253-270. doi:10.1177/0038038588022002006

Omay, T., Araz-Takay, B., Eruygur, A., & Kiliç, I. (2013). The Effects of Terrorist Activities on Foreign Direct Investment: Nonlinear Evidence from Turkey. Review of Economics, 64(2), 139-158. doi:10.1515/roe-2013-0203

Orogun, PS (2010). Resource control, revenue allocation and petroleum politics in Nigeria: the Niger Delta question. GeoJournal, 75(5), 459-507. doi:10.1007/s 10708-009-9320-7

Overton, J. (1986). War and Economic Development Settlers in Kenya, 1914-1918. The Journal of African History, 27(1), 79-103. doi:10.1017/S0021853700029212

Patey, LA (2007). State Rules: Oil Companies and Armed Conflict in Sudan. Third World Quarterly, 28(5), 997-1016. doi:10.1080/0143659070137172

Peng, M., Wang, D., & Jiang, Y. (2008). An institution-based view of international business strategy: a focus on emerging economies. Journal of International Business Studies, 39, 920-936. doi:10.1057/palgrave.jibs.8400377

Plehn, CC (1920). War Profits and Excess Profits Taxes. The American Economic Review, 10(2), 283-298. Retrieved from https://bit.ly/3QlFyah

Porter, ME (1980). Competitive strategy: techniques for analyzing industries and competitors. New York: Free Press.

Presečan, T. (1993). Bilješka o ratu i noćenjima stranih tourist u republici hrvatskoj / A note on war and foreign tourists' overnights in the Republic of Croatia. Acta Turistica, 5(2), 177-192. Retrieved from https://bit.ly/3Sv65np

Ramiah, V., & Graham, M. (2013). The impact of domestic and international terrorism on equity markets: evidence from Indonesia. International Journal of Accounting & Information Management, 21(1), 91-107. doi:10.1108/18347641311299768

Rettberg, A. (2016). Need, creed, and greed: Understanding why business leaders focus on issues of peace. Business Horizons, 59(5), 481-492. doi:10.1016/j.bushor.2016.03.012

Rollings, N. (2001). Whitehall and the Control of Prices and Profits in a Major War, 1919-1939. The Historical Journal, 44(2), 517-540. doi:10.1017/S0018246X0100187X

Scheiber, HN (1969). World War I as Entrepreneurial Opportunity: Willard Straight and the American International Corporation. Political Science Quarterly, 84(3), 486-511. doi:10.2307/2147271

Schmid, H. (2006). Privatized urbanity or a politicized society? Reconstruction in Beirut after the civil war. European Planning Studies, 14(3), 365-381. doi:10.1080/09654310500420859

Schneider, MC (2002). Business Decision Making in National Socialist Germany: Machine Tools, Business Machines, and Punch Cards at the Wanderer-Werke AG. Enterprise & Society, 3(3), 396-428. doi:10.1093/es/3.3.396

Scott, WR (1917). Mercantile Shipping in the Napoleonic Wars: With Some Statistics of Mercantile Shipping Losses a Hundred Years Ago. The Scottish Historical Review, 14(55), 272-275. Retrieved from https://bit.ly/3vIQh6W

Shrivastava, R. (2022). Ukrainian entrepreneurs struggle to save their employees as war threatens to crush their businesses. Forbes. Retrieved from https://bit.ly/3zENvRv

Smith, A. (2016). The LBV perspective on political risk management in a multinational bank during the First World War. Multinational Business Review, 24(1), 25-46. doi:10.1108/MBR-09-2015-0045

SPIEGEL, HW (1940). Wehrwirtschaft: economics of the military state. The American Economic Review, 30(4), 713-723. Retrieved from https://bit.ly/3oZoHOW

Stone, PR (2006). A dark tourism spectrum: Towards a typology of death and macabre related tourist sites, attractions and exhibitions. Tourism, 54(2), 145-160. Retrieved from https://bit.ly/3zAcZPU

Streb, J. (2009). Negotiating contract types and contract clauses in the German construction industry during the Third Reich. RAND Journal of Economics, 40(2), 364-379. doi: 10.1111/j.1756-2171.2009.00069.x

Tsabora, J. (2014). Illicit Natural Resource Exploitation by Private Corporate Interests in Africa's Maritime Zones during Armed Conflict. Natural Resources Journal, 54(1), 181-203. Retrieved from https://bit.ly/3zAUDb1

Tsokhas, K. (1993). British Economic Warfare in the Far East and the Australian Wool Industry. The Agricultural History Review, 41(1), 44-59. Retrieved from https://bit.ly/3bwqIPy

Viser, VJ (2001). Winning the Peace: American Planning for a Profitable Post-War World. Journal of American Studies, 35(1), 111-126. doi:10.1017/S0021875801006557

Walsh, DI (1944). War Profits and Legislative Policy. The University of Chicago Law Review, 11(3), 191-203. doi:10.2307/1597235

White, B. (2010). Feeding the war effort: agricultural experiences in First World War Devon, 1914–17. The Agricultural History Review, 58(1), 95-112. doi:10.2979/histmemo.27.2.74

Wilson, MR (2010). "Taking a Nickel Out of the Cash Register": Statutory Renegotiation of Military Contracts and the Politics of Profit Control in the United States during World War II. Law and History Review, 28(2), 343-383. doi:10.1017/S0738248010000039

Withrow, JR (1942). The Control of War Profits in the United States and Canada. University of Pennsylvania Law Review and American Law Register, 91(3), 194-232. doi:10.2307/3309304

Witkowski, TH (2009). General Book Store in Chicago, 1938-1947: linking neighborhood to nation. Journal of Historical Research in Marketing, 1(1), 93-121. doi10.1108/17557500910941583

Wynne-Hughes, E. (2012). 'Who would go to Egypt?' How tourism accounts for 'terrorism'. Review of International Studies, 38, 615-640. doi:10.1017/S0260210511000805

Yale School of Management. (2022). Almost 1,000 Companies Have Curtailed Operations in Russia — But Some Remain. New Haven: Author. Retrieved from https://bit.ly/3d75Ej5

Yasuyuki, H. (1996). Japanese companies' inroads into Indonesia under Japanese military domination. Bijdragen tot de Taal-, Land-en Volkenkunde, 152, 656-698. doi:10.1163/22134379-90003958

Financing

The author(s) did not receive financial support for the research, authorship, or publication of this article.

Acknowledgement

The authors would like to thank Professor Dr. Luís Antônio Dib for the insights given during the process of writing this work, as well as the three anonymous reviewers for the very important contributions made during the publication process, which significantly improved our work. Finally, we thank the proofreaders for their suggestions, which greatly valued the final product.

Notes

1. One of the works addresses both regions simultaneously (Nagaraj, 2015).
2. The term war profiteering has an imprecise definition, but some authors use it connoting substantial profits during a war by selling goods or services to support the conflict (including members of the defense industry), trading in resources misappropriated in the course of the war or selling goods and services related to post-war reconstruction (Bazargan, 2015).
3. “The act of travel to sites associated with death, suffering, and the seemingly macabre” (Stone, 2006, p. 146). On the subject, we recommend the documentary series Dark Tourist on the streaming platform Netflix.

Authorship

Rafael Felicio Jr.

Master’s in Business Administration from Fluminense Federal University; Master’s in Military Sciences from the Army Command and General Staff School. PhD candidate in International Business at the COPPEAD Institute of Administration at the Federal University of Rio de Janeiro (COPPEAD/UFRJ). Affiliated to the Center for Studies in International Business (CENI) of the latter institution.

E-mail: rafael.felicio@coppead.ufrj.br

ORCID: https://orcid.org/0000-0001-9170-1694

Ariane Cristine Roder Figueira

PhD in Political Science from the University of São Paulo (USP). Professor at the COPPEAD Institute of Administration at the Federal University of Rio de Janeiro, Coordinator of the Center for Studies in International Business, and a researcher at the Study Group on Smart Cities at the same institution. She works as a researcher and guides undergraduate, master's and doctoral scientific works in the areas of international business, company internationalization, foreign policy, public management, political institutions and decision-making. She has published several articles in the area and the books Introduction to Foreign Policy Analysis, edited by Saraiva, and International Business: Brazilian Perspectives, by Editora Campus.

E-mail: ariane.roder@coppead.ufrj.br

ORCID: https://orcid.org/0000-0002-2900-3040

Conflict of interests

The authors have stated that there is no conflict of interest.

Authors' contribution

first author: design (equal), data curation (equal), formal analysis (equal), methodology (equal), writing – original draft (equal), writing – review and editing (equal).

second author: design (equal), data curation (equal), formal analysis (equal), methodology (equal), supervision (lead), validation (equal), writing - original draft (equal), writing - review and editing (equal) .

Plagiarism check

O&S submit all documents approved for publication to the plagiarism check, using specific tools.

Data availability

O&S encourages data sharing. However, in compliance with ethical principles, it does not demand the disclosure of any means of identifying research participants, preserving fully their privacy. The practice of open data seeks to ensure the transparency of the research results, without requiring the identity of research participants.