

# the **fleet sheet's final word**

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## The economics of war

The Czech economy slipped into recession late last year, and analysts are identifying the budget cuts as one of the culprits.

It's a peculiarity of Gross Domestic Product that the more a government spends, the bigger the contribution to GDP. Every time the U.S. fires a rocket or uses military force to topple a dictator, the economy grows, because GDP doesn't distinguish between constructive and destructive spending. It's just a variation on the idea that we should all go out and break windows to revive the economy. Paul Krugman told [Russian TV](#) that we need something analogous to the WWII mobilization, but on a smaller scale. Well, Czechs aren't about to go head first into another war, but what about this battle against corruption?

Think about all the overpriced metro tickets and power plants being bought. They're actually contributing to GDP. And then there are all the auditors, lawyers and journalists needed to track down all the missing money. Another economic boost.

From a GDP standpoint, corruption is a double winner.



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