20-MINUTE READ SUMMARY

Blood and Treasure — 20-Minute Read Summary



Blood and Treasure: The Economics of Conflict from the Vikings to Ukraine

By Duncan Weldon (Little, Brown / Abacus, 2025; US edition January 2026) — 320 pages

The Book in 60 Seconds

Blood and Treasure asks a question most history books skip: what does war cost, who pays for it, and how do the economics of paying for it shape the outcome? Duncan Weldon, a British journalist and economist who began his career at the Bank of England and has covered the global economy for *The Economist* and the BBC, tours a thousand years of organized violence — from Viking raiders to the war in Ukraine — and shows that armed conflict is, among other things, an economic activity. It has economic motivations, it demands economic resources, and it has economic consequences. Two ideas run through the whole book: **incentives** (what people are rewarded for doing) and **institutions** (the rules, organizations, and financial systems that turn those incentives into outcomes). Change the incentives, and you change the war. Change the institutions, and you change who wins. The result is a fast, witty, and genuinely fresh way of looking at history — one that explains why Genghis Khan might be called the father of globalization, why pirate captains were pioneers of good management, and why a flood of silver kept Spain poor.

The Central Argument

Weldon's starting point is the title itself. "Blood and treasure" is a phrase that dates back to at least the 1640s, to the aftermath of the British Civil Wars, and it names the two costs of war in a single breath: the lives and the money. Historians have spent centuries writing about the blood. Weldon writes about the treasure — and about how the treasure shapes the blood.

His argument has three parts. First, war is an economic activity, not just a political or military one. People fight wars for economic reasons, wars are constrained by economic resources, and wars reshape economies. Second, the economics of war can be understood through two concepts: incentives and institutions. Incentives determine what soldiers, generals, kings, and governments find it rational to do. Institutions — tax systems, navies, banks, bureaucracies — determine whether those incentives produce success or disaster. Third, the economics of conflict have changed over time, and the change itself is the story. The economics of a Viking raid are not the economics of a drone war, and understanding how and why they changed explains a great deal about the modern world.

The book is not an argument that economics explains everything about war. Weldon is explicit that ideology, religion, honor, fear, and accident all matter. His claim is more modest and more interesting: economics is a lens that most histories leave out, and when you pick it up, a surprising amount comes into focus.

The Story: A Thousand Years of War, Told Through Money

Raiders as businessmen: the Vikings and the Mongols

Weldon opens with the Vikings, and the effect is to make the familiar strange. The popular image is of berserkers and bloodlust. The economic image is of a business venture. A Viking crew fitted out a ship, sailed to somewhere rich and poorly defended, and came home with silver. Like any business, raiding responded to incentives. When monasteries grew richer and better defended, raiders went elsewhere. When kings began paying them off — the famous Danegeld — the raiders discovered that extortion was more profitable than looting, and much less dangerous. A lot of what looks like mindless violence turns out to be rational economic behavior, once you understand what the participants were actually being paid for.

The Mongols take the same logic further. Genghis Khan, whom Weldon half-seriously calls the father of globalization, built the largest contiguous land empire in history, stretching from the Pacific to Eastern Europe, and across that whole space he imposed a single set of trade rules, safe roads, standardized weights and measures, and a postal relay system. A merchant could travel from China to Persia under Mongol protection in a way that had never been possible before. The Silk Roads became safe. Goods, ideas, and technologies flowed — and so, darkly, did the Black Death, which is the other side of the same story. Conquest created a market.

The Mongols also solved one of the book's favorite economic problems, the **principal–agent problem**: the difficulty a leader (the principal) has in controlling the people who carry out orders (the agents), because the agents have interests of their own. Genghis Khan paid his soldiers in shares of the loot, promoted on merit rather than birth, and punished looting before the order was given with death. The individual soldier's incentives lined up with the empire's interests. Other armies of the period, paid irregularly and left to loot as they pleased, were far harder to control. The Mongols were not just tougher; they were better organized.

The same problem destroyed the British East India Company's army in India. The Company built a force of Indian soldiers, the sepoys, who were cheaper than British troops and for a long time extremely loyal. But the Company kept cutting corners on pay and conditions while ignoring the religious and cultural concerns of its soldiers. The incentives drifted out of alignment, and in 1857 that misalignment exploded into the great uprising that nearly destroyed British rule in India. The Company had built an army it could no longer afford to keep loyal.

How silver kept Spain poor

One of the book's most counterintuitive chapters concerns Spain and the gold and silver of the New World. The standard story is that Spain conquered the Americas, shipped home mountains of silver from mines like Potosí, and became the richest country on earth. Weldon argues the reality was almost the opposite: the flood of silver kept Spain poor.

The mechanism is what economists call the **resource curse**. When a country receives a huge windfall from one resource, its currency strengthens, its other industries become uncompetitive, and its government stops bothering to build the institutions that make an economy work — good tax collection, a productive manufacturing base, a reliable financial system. Why bother taxing your citizens and building factories when the silver ships arrive every year?

Spain is the classic case. The silver paid for war after war, but it did not build a modern economy. Meanwhile England and the Netherlands, which had no American silver, had to raise revenue the hard way: by taxing trade and building financial markets. They developed parliaments that could credibly promise to repay debt, central banks, and stock exchanges — the institutional machinery of modern finance. That machinery turned out to be the real source of military power. By the eighteenth century, Britain could borrow money at far lower interest rates than Spain or France, which meant it could sustain longer wars and bigger navies. The country with the better credit rating won.

The financial revolution

The turning point, in Weldon's telling, came after the Glorious Revolution of 1688, when England created a parliament that could credibly commit to repaying the state's debts, and founded the Bank of England in 1694 to manage that debt. Suddenly the English state could borrow at interest rates far lower than those paid by France or Spain, and that difference — a few percentage points on a loan — compounded over decades into an overwhelming military advantage. Britain could keep a fleet at sea for years. France could not. That, Weldon argues, is the real story behind Trafalgar: not just Nelson's genius, but the bond market.

The Dutch had shown the way a century earlier. The tiny Dutch Republic, with almost no natural resources, became a great power in the seventeenth century because Amsterdam was the financial center of the world. Dutch merchants invented the joint-stock company, the stock exchange, and the modern bond. The Dutch East India Company was, in effect, a company with its own army and navy, funded by financial innovation. The lesson is uncomfortable but consistent: financial institutions are military institutions. The country that can mobilize capital most efficiently can mobilize violence most efficiently.

Pirates and the invention of good management

The most entertaining chapter in the book concerns pirates. Weldon argues that pirate captains were pioneers of effective human-resources techniques — and the argument is serious, not a joke.

A pirate ship in the early eighteenth century was a dangerous workplace, and the captain had a genuine management problem: how to get a crew of heavily armed criminals to work together, follow orders in battle, and not mutiny. The pirates solved it with institutions that were, by the standards of the time, remarkably democratic and fair. Captains were elected by the crew and could be voted out. Pay was distributed by shares, with the captain receiving only one or two shares against an ordinary sailor's one — a far flatter pay structure than on a merchant ship or a naval vessel, where the captain took a huge cut. Injured pirates were compensated from a common fund. Disputes were settled by vote. And the rules were written down in advance, in articles every crew member signed.

The reason matters: the pirates were competing for labor. A sailor in the early 1700s could join the Royal Navy, where pay was bad, discipline was brutal, and he might not be paid for months; or a merchant ship, where conditions were often nearly as bad; or he could go pirate, where the pay was better, the food was better, and he got a vote. Piracy was a labor-market response to bad management. The pirates did not invent democracy out of idealism. They invented it because it worked — it attracted better crews and kept them loyal.

Witch trials, cheap swords, and non-price competition

Two of the book's strangest chapters show the same logic in unexpected places. On the European witch hunts, Weldon asks who benefited. One answer some economists have proposed is that witch trials were a form of **non-price competition**: in local markets controlled by guilds and established traders, an outsider — a woman selling herbal remedies, a midwife, a small trader undercutting the established players — could not always be beaten on price. But she could be accused of witchcraft. The accusation removed a competitor without anyone having to compete fairly. Weldon is careful: he does not claim economics explains the witch trials. Religion, misogyny, fear, and social panic were the driving forces. But the economic angle adds something — it helps explain why accusations clustered where economic competition was fiercest, and why economically independent women were disproportionately targeted.

A related puzzle concerns medieval kings who deliberately armed their soldiers with inferior weapons. Why send men into battle with worse equipment than they could have had? The answer is the principal–agent problem in reverse. An expensive sword and a good suit of armor are temptations: a soldier might sell them, desert with them, or run away at the first sign of trouble. A cheap weapon is not worth stealing. A king who could not fully trust his soldiers, and could not monitor them on a chaotic battlefield, might rationally prefer to arm them cheaply. The weapon is worse, but the army is more reliable.

The Royal Navy and the state that war built

The Royal Navy in the eighteenth and nineteenth centuries is usually presented as a story of heroism — Nelson, Trafalgar, the age of sail. Weldon is more interested in the paperwork. How did Britain build and sustain, for more than a century, the largest and most effective navy in the world? The answer is a system of public finance that let the government borrow enormous sums at low interest rates; a bureaucracy — the Navy Board and the Victualling Board — that could build ships, supply them with food and timber, and keep them at sea for months; and a culture of patronage and cronyism that, paradoxically, helped, by creating a tight-knit officer corps with a shared culture and a shared interest in the navy's success. Institutions do not have to be perfect to work. They have to align incentives well enough, for long enough.

War, in turn, changed the state. War is expensive, and expensive things force governments to get better at raising money. The need to pay for wars drove the creation of the Bank of England, the income tax, and the modern bond market. The sociologist Charles Tilly had a famous line: war made the state, and the state made war. Weldon gives that idea an economic foundation. The fiscal-military state was built because kings needed money for armies, and the only way to get that money reliably was to build institutions that could tax and borrow. Once those institutions existed, they could be used for other things — railways, public health, and the modern state itself.

Mercenaries and the market for violence

For most of history, wars were fought by people paid to fight, and the market for soldiers was a real market. Swiss pikemen were the most sought-after mercenaries in Europe for centuries, and Swiss cantons grew rich renting out their young men. The economics are again about the principal–agent problem: a mercenary's incentive is to survive and get paid, not to die for your cause, so a commander who hires mercenaries must constantly worry whether they will fight, desert, or switch sides for a better offer. Machiavelli warned against mercenaries in the sixteenth century for exactly this reason. But mercenaries were also professionals, and in an age when most armies were raised quickly and disbanded quickly, a mercenary company was a standing organization with training and experience. The market for violence was efficient in its own way — and it is still with us. Private military companies exist today, and they raise exactly the same questions about loyalty, accountability, and who controls the use of force.

Total war and the management of catastrophe

The book darkens as it reaches the twentieth century, because the total wars of that century required a completely new kind of strategy — one that took economics seriously. The First and Second World Wars were contests of economies as much as of armies. The side that could produce more ships, planes, tanks, and food, and keep producing them for longer, would win. The Allied victory in the Second World War was, in large part, an economic victory: American industrial output was simply overwhelming.

But the management of war by metrics could also be catastrophic. In Vietnam, the American war effort was run to a remarkable degree by systems analysts and economists who believed war could be managed like a business, with targets and body counts. Robert McNamara, the Secretary of Defense, had come from the Ford Motor Company, where he was famous for using statistics to run a car company. He brought the same approach to the Pentagon. The metric they chose above all — the body count — created terrible incentives. If success is measured by how many enemy soldiers you kill, commanders will inflate the numbers, and soldiers will be pushed to produce kills rather than to secure territory or win hearts and minds. The measurement became the mission. It is a classic case of Goodhart's law: when a measure becomes a target, it stops being a good measure. The human cost of that management failure was enormous.

There is a parallel story about the Luftwaffe, the German air force in the Second World War. German fighter pilots were awarded decorations based on individual kill counts, and the most successful pilots became national heroes. That sounds like good motivation. But it created an incentive for pilots to chase individual kills rather than to fly as a team, protect bombers, or share information. The aces racked up huge personal scores while the Luftwaffe as an organization got worse at its job. Reward the wrong thing and you get the wrong behavior, even from brave and talented people. Stalin provides another uncomfortable management lesson: brutal centralization, ruthless prioritization, and a willingness to sacrifice everything for tank and artillery production helped the Soviet Union survive and win. The lesson is not that Stalin was a good manager. It is that incentives and institutions matter even in a dictatorship — and sometimes terrifyingly so.

The changing cost of war, and Ukraine

The book ends in the present, with the war in Ukraine, where Weldon argues the economics of conflict have changed again. Modern war is increasingly about cheap, precise weapons — drones — against expensive, traditional platforms like tanks and warships. A drone costing a few thousand dollars can destroy a tank costing millions. That inverts the economics that dominated the twentieth century, when the side with the bigger industrial base almost always won. Now a small, clever, adaptable force can impose costs wildly out of proportion to what it spends.

The war in Ukraine has also been a test of economic warfare: sanctions, export controls, and financial pressure. The idea was to use economic pressure to change the Kremlin's calculations. The reality has been messier. Sanctions take time to work, they create incentives for evasion, and they can hurt the countries imposing them. Russia adapted by finding new trading partners and building workarounds. That does not mean sanctions are useless; it means they are a slow weapon, and their effectiveness depends on the institutions behind them — on how well countries coordinate and enforce them. Economics does not give a simple answer to whether sanctions work. It gives the right questions: who bears the cost, how fast does the cost arrive, and what are the incentives to evade?

Related is the idea of deterrence, which is an economic concept at its core: making the expected cost of an action higher than the expected benefit. A country that wants to deter an invasion does not need to be able to win a war. It needs to make the invasion expensive enough that the invader decides it is not worth it. That is why small countries invest in anti-tank missiles, coastal defenses, and reserve armies. A dollar spent on the right weapon, in the right place, can be worth far more than a dollar spent on the wrong one. The history of warfare is full of countries that spent enormous sums and got very little security for it, because they bought the wrong things, organized their forces badly, or misunderstood what their adversary actually feared.

The Key Ideas, Explained Plainly

1. Incentives. People respond to what they are rewarded for. Soldiers paid in shares of loot fight differently from soldiers paid irregularly. Pilots rewarded for individual kills fly differently from pilots rewarded for protecting their squadron. If you want to understand a war, ask what the participants were being paid to do — and whether that was the same as what their leaders wanted them to do.

2. Institutions. Rules and organizations turn incentives into outcomes. A parliament that can credibly repay debt, a bank that manages that debt, a navy board that supplies ships, a pirate code that shares profits — these are the machinery that makes incentives work. Good institutions align the interests of individuals with the interests of the group. Bad ones misalign them, with consequences that can be measured in lives.

3. The principal–agent problem. Whenever one person gives orders and another carries them out, their interests can diverge. Genghis Khan solved it with merit pay and absolute discipline. The East India Company failed to solve it with its sepoys. Medieval kings solved it, perversely, by arming soldiers cheaply. The problem is everywhere in war — and in business, and in government.

4. The resource curse. A windfall from one resource can make a country poorer, not richer, by destroying the incentive to build real institutions. Spain's silver is the classic case; the pattern recurs today in oil-rich states that struggle to build diversified economies. Countries that have to earn their revenue tend, over time, to end up stronger than countries that are given it.

5. The fiscal-military state. War forced governments to learn to tax and borrow, and the institutions built for war — central banks, bond markets, income tax — became the foundations of the modern state. War made the state, and the state made war.

6. Non-price competition. When competitors cannot win on price, they may try to win by other means — including, in early modern Europe, accusing a rival of witchcraft. The idea generalizes: wherever the rules allow it, people will compete through the courts, through regulation, or through reputation rather than through the market.

7. Goodhart's law. When a measure becomes a target, it stops being a good measure. The body count in Vietnam and the kill counts of Luftwaffe aces both show what happens when an organization rewards the metric instead of the mission.

8. Is war good for the economy? Almost always no, in the short term: war kills people, destroys capital, disrupts trade, and creates debt. Over the longer term the picture is more complicated — war has accelerated technological change and forced governments to build better institutions — but the growth that followed the Second World War was driven by the institutions built during and after the war, not by the destruction itself. And even where war has positive economic side effects, those side effects do not justify the human cost.

How to Approach Reading It

Blood and Treasure is 320 pages, moves fast, and is written for a general reader rather than an academic. Weldon writes like a journalist: short chapters, full of stories and provocative claims, happy to be playful. Read it over a weekend and you will come away with a dozen dinner-party stories and a genuinely different way of thinking about history. It is best read as a lens, not an encyclopedia. If a chapter intrigues you — the pirates, the Mongols, the financial revolution — follow it up with a deeper book on that subject. If a claim sounds too neat, treat it as a provocation to investigate, not as a settled fact. And keep the book's own caution in mind: economics is a way of seeing war, not the whole of war. Ideology, religion, honor, and chance all matter too.

Memorable Lines

> *"Wars are expensive, both in human terms and monetary ones." — the book's opening premise, echoed in the publisher's description.*

> *"War made the state, and the state made war." — Charles Tilly, the sociologist whose idea underpins Weldon's account of the fiscal-military state.*

The book's own voice is best captured in its provocations rather than its aphorisms: Genghis Khan as the father of globalization; pirate captains as pioneers of effective human resources; the country with the better credit rating winning the war. Weldon writes in short, punchy claims that are meant to be argued with — and that is part of the pleasure of the book.

Fair Criticisms

Broad, not deep. Three hundred and twenty pages to cover a thousand years of warfare means some chapters feel like sketches rather than full arguments, and specialists will quibble with individual claims. The witch-trial argument, for example, is suggestive rather than conclusive, and Weldon knows it.

The risk of seeing incentives everywhere. Apply economic reasoning to everything and you start to see incentives in every corner, and you can miss other explanations — ideology, religion, honor, sheer accident. Weldon says economics is a lens, not the whole story, but sometimes the lens does most of the talking.

Strongest on Britain and Europe. The book is at its best on the periods Weldon knows best — Britain and Europe from the seventeenth century onward — and thinner on other parts of the world. That is a fair trade for a book this readable, but it is worth knowing.

The tone can make war feel too clever. The stories about pirates and medals and cheap swords are delightful, but they can distract from the fact that war is, above all, a human catastrophe. Weldon does not forget that, and the book's darker chapters make the costs vivid, but the light, entertaining tone means a reader should hold both things in mind at once: the economics is real and illuminating, and the suffering is real and should not be reduced to a case study.

Why It's on the List

Blood and Treasure was a New York Times bestseller-listed title when it was published in the United States in January 2026, and the *New York Times* praised Weldon for "reinterpreting the actions of Mongol raiders and Indian sepoys through economic concepts like principal-agent problems and non-price competition." Martin Wolf, the *Financial Times*' chief economics commentator, called it "a brilliant book." James Holland called it "absolutely fascinating and totally absorbing." It is on the list because it does something rare: it takes a subject most readers think they understand — war — and shows them a hidden dimension of it, in prose that is a pleasure to read. For a reader who likes economics, history, or both, it is one of the most rewarding books of the year.

What to Read Next

- **Duncan Weldon, *Two Hundred Years of Muddling Through*** — Weldon's earlier book, a witty history of the British economy, in the same voice.
- **Kenneth Pomeranz, *The Great Divergence*** — why Europe industrialized and China did not, with much to say about war and state-building.
- **Adam Smith, *The Wealth of Nations*** — the founding text of economics, surprisingly readable in parts, and the source of many of the ideas Weldon uses.
- **Daron Acemoglu and James Robinson, *Why Nations Fail*** — the fullest modern argument that institutions decide whether nations prosper.
- **Max Hastings or James Holland on the Second World War** — for the military history that *Blood and Treasure* treats as background.

Daily Book, Episode 59 — from the New York Times Books list, February 2026.