Research on the Influence of the Domestic Economic Growth on the Military Pay Increases

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Abstract—The relationship between the government and social residents’ demands for the national defense products and its supply is an important factor to determine the military pay level. The influence of the domestic economic change on the supplies and demands for the national defense products shows that the residents’ income increase along with the growth of domestic economic level and the state can afford and be willing to pay a higher price for the national defense products. Meanwhile, the changes of national security brought out by the economy growth lead to the increases of the soldiers’ working intensity because of the growth of task undertaken by military. Therefore the military pay should improve to a higher level together with the growth of the national economy.

Index Terms—national economy growth, military pay growth, relationship between supplies and demands, influence mechanism

I. INTRODUCTION

The relationship between the growth of military pay level and economy growth level is a hot topic of the theory research for a long time. This paper builds a determinant mechanism model of military pay based on the economy development level and researches the inner relationship between military pay level and the situation of the economy growth embarking from the relationship between the supplies and demands for the national defense products, which provides theory explain to deal with military pay growth correctly [1].

II. THE ASSUMPTION OF THE MODEL

The first assumption is that the military pay level is determined by the supplies and demands for the national defense products. The residents’ demands for the national defense products are mainly determined by how much the residents are willing to offer to buy the national defense products or the residents’ vote in that the government just take the place of the residents to exercise the public power [2]. The government determined the supplies for the national defense products because the government can determine the supplies for national defense products provided by the military through the orders or other administrative means, that is to say the soldiers must provide the supplies for the national defense products following the government’s orders before they retire from the army. Therefore the government and residents need to determine the equilibrium price of the national defense products by negotiations, which mean that the military pay rate can be enforced under the residents’ agreement.

The second assumption is that the amount of the national defense products provided by the army only depends on the military pressure and threatens the country faced. The government can keep the amount of the national defense products provided by the army to the level which is above the security requirements by administrative means according to the security situation and military pressure the state faced in that the soldiers can’t join or quit the army freely and should provide the national defense products under the government’s plans and orders [3].

The third assumption is that the military expenditure is always affordable. It is obviously that the moderate growth of military pay is bound to lead the growth of military expenditure, but it will not cause negative effect on the development of the national economy.

The forth assumption is the investment in the weapons and equipment and the amount of soldiers don’t change. In other words, only the military pay can cause the change of the prices of the national defense products

III. ANALYSIS OF THE STATIC MODEL

The supplies for the national defense products provided by the military are stable in the short-term for the reason that security situation the state faced is relatively stable. The residents’ demands for the national defense products are based on the residents’ income, which determines the total demands for the national defense products of the country [4].

In the Fig. 1, the horizontal axis is the amount of the national defense products, the vertical axis is the military pay rate the residents are willing to offer. The Curve D1 is the residents’ demand curve for the national defense products.
products, which reflects the residents’ willingness to buy the national defense products. The Curve $S_1$ is the country’s supply curve for the national defense products and it is a straight line perpendicular to the horizontal axis because the supplies for the national defense products are stable in the short-term. The curve $D_1$ and $S_1$ intersect at the point $E_1$ in certain economy development level and security situation. At this moment, the residents believe that it is appropriate for the military pay rate level to stay at the point $W_1$. When the national economy develops, the residents will ask the government for a higher military pay rate. To keep the long-term insiders stability of the army, the government also will have negotiations with the residents about the equilibrium price of the national defense products through the People’s Congress [5]. On the one hand, the residents’ affordability for the military expenditure will increase after the growth of the income level. On the other hand, to get enough national defense products in the long-term, it’s much easier for the residents to accept the military expenditure growth which leads them to agree to the moderate growth of the military expenditure. Therefore, the residents’ demand curve for the national defense products will move upwards from $D_1$ to $D_2$ and intersects with the curve $S_1$ at the point $E_2$ after the development of national economy.

It is can be found from the Fig. 1 that the soldiers’ pay rate will increase from $W_1$ to $W_2$ because of the residents’ income growth though the amount of national defense products provided by the soldiers doesn’t change, which raise the military pay. The area of the rectangle $W_1W_2E_2E_1$ represents the growth of the military pay in the case that the residents’ demands for the national defense products increase but the amount does not change [6].

Besides, with the developments of the national economy, the pay rate of the other industries will increase, which enhances the soldier’s willingness to quit the army and join in the other industries which provide a higher pay rate and better working environment. Therefore, the supplies for the soldiers will decrease because of the growth of the other industries’ pay rate, which will leads the decrease of national defense products [7].

The Fig. 2 shows the impact of the decrease of the supplies for national defense products on the pay rate. The curve $S_1^*$ is the soldiers’ original supplies curve for the national defense products. The curve $D^*$ is the government’s demands for national defense products which is as same as the curve $S_1$ in the Fig. 1. Therefore, the curve $D^*$ is a straight line perpendicular to the horizontal axis and its amount also is $Q_0$. The curve $S_1^*$ intersects with the curve $D^*$ at the point $E_2$ which shows the situation without pay rate changes of other industries. When taking the pay rate changes of the other industry into consideration, the curve $S_1^*$ moves left to the curve $S_2^*$ and intersect with the $D^*$ at the point $E_3$ because of the decrease of the supply of the soldiers.

From the Fig. 2, it is can be known that to keep the supplies for the national defense products stable, the military pay rate have to be raised from $W_1$ to$W_2$ along with growth of the pay rate of the other industries. The area of the rectangle $W_1W_2E_3E_1$ represents the growth of the military pay in the case that the supplies for the national defense products decrease but the demands does not change.

IV. Creation of the Dynamic Model

In the model above, the security situation the country faced is relatively stable, therefore, the residents’ demands for the national defense products will not change. However, as a matter of fact, some other countries may feel unsafe for the constant growth of the state’s comprehensive national strength, which lead them to hold a hostile attitude towards the state [8]. It will bring a negative impact on the security situation for the state, which coincide with the real situation.

In the Fig. 3, the horizontal axis represents the amount of the national defense products, the vertical axis represents the national security level and the pay rate of the residents’ willingness to offer to the soldiers. The curve $D_2$ is the residents’ demand curve for the national defense products, the curve $S_A$ is the national security curve which represents the relationship between the amount of the national defense products and the national security.
security level and the national security level should increase along with the growth of the amount of the national defense products. In the original security situation, the security level of the point \(E_1(Q_0, W_4)\) is \(H_1\). The national security situation will change because of the development of the economy, which leads the curve \(SA_1\) move to the curve \(SA_2\) and the national security level go down to the point \(H_2\). Therefore, it is necessary to buy more national defense products to maintain the original security level, which make the demand curve move right to the curve \(D_2\). Though the military pay rate does not change, the military pay still will increase in that the amount of service and the national defense products will grow [9]. The area of the rectangle \(E_2E_3Q_2Q_3\) represents the growth level of the military pay which displays the growth of the military pay brought about by the increased task induced by the development of the economy in the situation that the military pay rate does not change.

The Fig. 4 displays that the sum of areas of the rectangle \(W_1W_2E_1E_4\) and the rectangle \(E_1E_4Q_4Q_3\) are the total amounts of the increase of the military pay. The area of rectangle \(W_1W_2E_1E_4\) represents the increased military pay induced by the growth of the pay rate and the area of the rectangle \(E_1E_4Q_4Q_3\) represents the increased military pay brought about by the increased task.

V. CONCLUSION

From the analysis above, we can see that though the military does not create the economic value directly, it provide a secure environment for other trades to produce economic values. Therefore, the military should get corresponding increase with the constant development of the economy [10].

On the one hand, the residents’ income will increase along with the growth of the national economy level, which makes the residents be able to pay a higher price for the national defense products. Besides, the residents also are willing to raise the military pay rate even though the amount of the national defense products produced by the military does not change because of the increase of the growth of the economic level. At the meantime, the government also has the ability to raise the military pay level in that the government can get much more revenue owing to the increase of the residents’ income level, which make the government be capable to invest more expenditure into the military construction and increase the military pay level. On the other hand, the growth of the national economy brings about the changes of the national security situation, which causes the corresponding increase of the task undertaken by the military to safeguard the security of the nation. Thus, the soldiers are supposed to earn more money because the increase of task will cause the increase of the workload and working intensity [11].

According to the analysis above, it is necessary to relate the military pay level with the development of the social economy and residents’ income closely and build the mechanism of the increase of the military pay which is linked with the development of the economy. Only with this mechanism can the nation ensure that the military pay will increase appropriately along with the healthy development of the national economy and stable increase of the residents’ income and the soldiers’ legitimate economy rights and interests get protection. It is the requirement to share the economic developments for the soldiers and the realistic demands to constantly expand the function and task for the military.

REFERENCES


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