

ECAAR NewsNetwork

the newsletter of economists allied for arms reduction

“All things change, nothing is extinguished.”

ECAAR becomes Economists for Peace and Security (EPS).

see page 2

Boom Times for War Inc.

James K. Galbraith

On Sept. 21, 2001, the American Stock Exchange created the Amex Defense Index, a measure of the stock prices of 15 corporations that together account for about 80 percent of procurement and research contracting by the Department of Defense. The index, of course, includes the five largest military contractors: Boeing, General Dynamics, Lockheed Martin, Northrop Grumman and Raytheon.

The chart below, presented at a conference in Paris by economists Luc Mampaey and Claude Serfati, shows what has happened since then. With the Afghan war the arms index surged, gaining over 25 percent by April 2002. Then it slumped, along with the rest of the market. If you had invested \$1,000 in a defense portfolio at the peak of the Taliban boomlet, by March 2003 you would have lost a third of your stake.

But then came Iraq. And it's been clover for contractors ever since. Total gains since March 2003 are above 80 percent. Even if you'd put

your money in at the beginning, in September 2001, you'd be up over 50 percent. That isn't bad, considering.

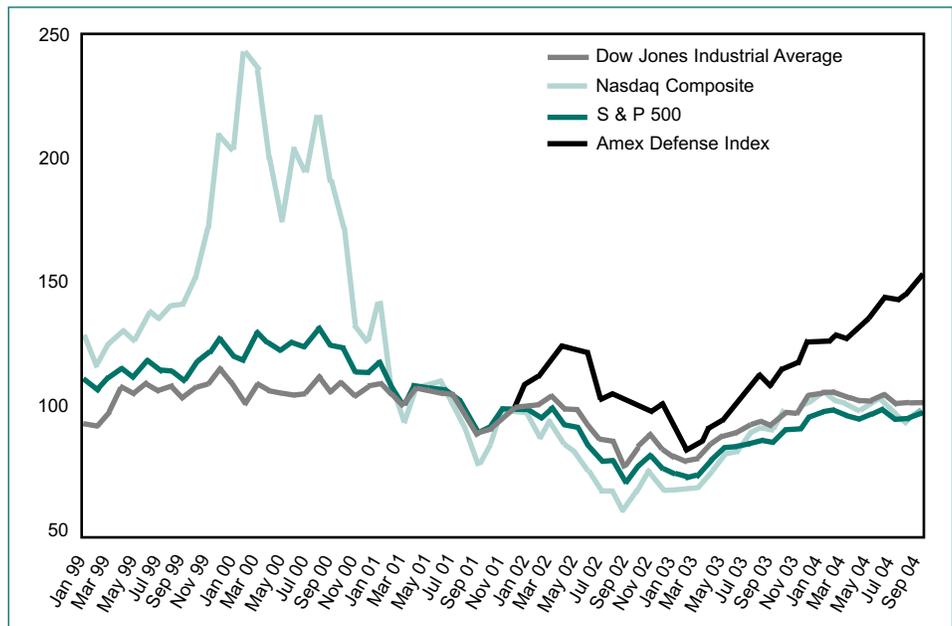
This is no scandal, of course. War is naturally good for the arms business. The companies involved are public - anyone can buy their stocks. Suppose that back in 2001 you'd had unlimited access to bank credit. And suppose you'd also had the certain knowledge that George W. Bush would take out Saddam Hussein, come what may. Well then you, too, could have made billions over the past three years.

The really big scandal lies elsewhere. It isn't in the fact that a small group of political insiders made big money from the Iraq war. The big scandal is in all those other numbers: the Dow Jones industrial average. The Standard and Poor's 500. The NASDAQ composite index. Look at them - they haven't budged in three years.

continued on page 3

Inside this issue:

| | |
|-----------------------------------|----|
| Letter from the Director | |
| Kate Cell | 2 |
| New Spanish Affiliate? | 3 |
| An Economist at the Wall | |
| Sam Perlo-Freeman | 4 |
| Understanding Civil Wars | |
| Juan F. Vargas | 6 |
| ECAAR at EAEPE | 7 |
| Palestinian Suicide Bombers | |
| Sean Yom & Basel Saleh | 8 |
| Combined Action Platoons for Iraq | |
| Marcus Corbin | 11 |
| Security Policy Working Group: | |
| Recent Successes | 12 |
| Military vs. Social Spending: | |
| Tear-out Fact Sheet | |
| Paul Burkholder | 3 |
| ECAAR at the AEA/ASSA | |
| Panel Sessions | 15 |
| Annual Dinner | 16 |



Letter from the Director - All Things Change

Kate Cell

“All things change, nothing is extinguished,” wrote Ovid in the *Metamorphoses*, a book about the surprising, even astonishing forms that change can take. It is my privilege in this “Letter from the Director” to report on the exciting changes now taking place at ECAAR. The first and most obvious is our very name. After much discussion over the past two years among the Executive Committee and the staff, and a vote of overwhelming support by the Board of Directors, in the New Year we will become Economists for Peace and Security (EPS). Here’s why.

At the height of the Reagan build-up, ECAAR was founded as Economists Against the Arms Race. When the Cold War ended, we kept the acronym but changed the words for which it stood, and became Economists Allied for Arms Reduction. We remained a group of economists and concerned citizens working on economic aspects of international security issues. With this name we became a UN-registered NGO, expanded to our present twelve international affiliates, produced papers, studies and reports, and hosted conferences on every continent. In spite of this real success, we found there were real problems with our existing name.

First, it did not describe the totality of our work. Yes, we work for arms reduction, but we work not merely to reduce stockpiles but to stop the spread of small arms, mass-casualty conventional systems, and nuclear, biological, and chemical weapons. And our members work on a whole range of issues relating to the economics of war, conflict and peace. Founding Trustee Lawrence Klein, in his response to the new name, wrote “the main thing that we can do is to get the major arguments in favor of peace, conflict resolution, and healthy economics up for analysis and discussion *now*.”

Secondly, Economists Allied for Arms

Reduction was a mouthful, hard to say and understand. Board and staff members, when making phone calls to new contacts found that we always needed to say the name at least twice. One of our newest Board members, Trustee William Sharpe, responded to the EPS idea with a resounding “Yes please!” because he had already found the name a handicap in his efforts on our behalf.

Finally, our name appeared to outsiders to indicate a political bias. We have always been a non-partisan organization, open to anyone who wishes to join; but our old name excluded us from policy discussions to which we could make essential contributions.

Economists for Peace and Security is short, to the point, and comparatively snappy. It survives translation. It describes our mission and our approach succinctly.

Most people understand that economics plays a role in building a safer world. For years, we have used the tagline “War and famine. Peace and milk,” a Somali proverb which is a simple and profound expression of the relationship between economics and peace. Our new name will make it easier for people to apprehend who we are, what we’re doing and why it’s so important.

To accompany our new name we have a new logo (see below): a rather understated dove forms a falling line on graph paper. We have kept the dove as a hopeful symbol of the lasting peace toward which we work. The graph indicates our reliance on scientific analysis to further our cause.

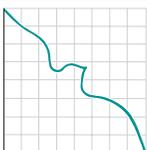
There will be other changes during the new year. Our office will be moving to the Levy Economics Institute of Bard College. The Levy Institute and its President, Dimitri Papadimitriou, have generously made free office space available to us in their beautiful building, which will signifi-

cantly reduce our overhead. We have a lively new website (the draft site is posted at www.epsusa.org). We hope to have a new Spanish affiliate.

And we will have a new Director. After four and a half years at ECAAR, and three and a half as Director, for personal reasons I am resigning effective January 15th, 2005. I look forward to continuing my association with EPS; I will edit the newsletter, policy briefs, and the new EPS website from my new home. My work here has been the most satisfying of my professional life so far, and it has been a great honor and joy to work with our Directors, members and staff. The next “Letter from the Director” will be from my good friend and colleague Thea Harvey, who has served as our Development Manager since August 2002.

Thea’s current title is perhaps deceptive. Her primary responsibilities have been to prepare grant proposals, develop relationships with major donors, and manage special events. But she has always seen “development” in the broadest possible sense: how can she help develop our capacity to fulfill our mission? Toward that end she has undertaken a membership recruiting drive (resulting in over 150 new members); she has worked closely with our international affiliates; and she has conceived and written each edition of our electronic newsletter, NewsNotes.

Thea brings many skills to the directorship. She has considerable fiscal acumen (not one of my great strengths). She writes elegantly and has a working knowledge of four languages apart from English. Most importantly, she is possessed of a deep devotion to our cause and of tremendous tenacity. EPS will be in excellent hands, and I hope you will join me in welcoming the to her new job. A note on pronouncing her name: “Th” as in Theresa, and the whole rhymes with “Isaiah.”



Economists for Peace and Security

Boom Times for War Inc. (continued from page 1)

Some people get concerned when the stock market goes up. They fret over bubbles, which must pop, and over the inequality of wealth that naturally rises with a rising market, given that only a few Americans own most of the corporate stock. These are real problems. But count me in the group that tends to see the bright side. A rising stock market means that businesses see the possibility of future profit, which spurs them to invest. And that, above all, is what creates the new jobs so lacking in the past four years.

If you want a one-picture analysis of the American economic problem, this chart is as good as any you will find. Much has been made of the fact that the Bush administration's tax cuts went overwhelmingly to the top 1 percent of the income distribution. But if those tax cuts had succeeded in setting off a strong and widespread economic expansion - as Ronald Reagan's did, 20 years ago - who would object? Not me, frankly. The problem is that they failed to do this.

Part of the reason lies in the poor design of the tax cuts. And part of the reason, surely, lies in the fact that the Iraq war is a huge question mark overshadowing the future of the American economy, and hence a deterrent to business investment.

Business isn't stupid. It knows that Iraq took us away from the "war on terror." It knows we're less safe now than if we'd pursued al-Qaida to the bitter end. It knows that energy markets are unsettled and that we may be heading toward a long period of expensive oil. It knows, perhaps above all, that the war in

Iraq is far from over. None of this has inspired confidence.

Back in 1919, in the wake of the Great War, John Maynard Keynes wrote of the effects of war on business: "The war has disclosed the possibility of consumption to all and the vanity of abstinence to many." Something like this happened after September 2001. Households borrowed and kept up their spending even as incomes shrank. But businesses, forward-looking and unsettled by the prospects ahead, curtailed investment. As Keynes also wrote, "no longer confident of the future, [capitalists] seek to enjoy more fully their liberties of consumption so long as they last." But they don't invest, and they don't create jobs.

The big scandal isn't who made money. It's who didn't. It isn't the handful who got good jobs working for defense firms. (It isn't the brave truck drivers risking their lives on the roads of Iraq.) It's the millions who got nothing at all.

Dr. James K. Galbraith is Lloyd M. Bentsen Jr. Chair in Government/Business Relations at the LBJ School of Public Affairs at the University of Texas at Austin. He is also Chair of ECAAR's Board of Directors. A version of this article originally appeared in Salon.com.

Dr. Claude Serfati is affiliated with the Centre d'Economie et d'Ethique pour l'Environnement et le Développement, and Dr. Luc Mampaey is with the Groupe de Recherche et d'Information sur la Paix et la Sécurité (GRIP). Drs. Serfati and Mampaey are members of ECAAR.

New Affiliate Proposed for Spain

Under the leadership of Juan Carlos Martinez Coll, a professor at the University of Malaga, a "call for adherents" to a new Spanish/Spanish language affiliate has been issued. The purpose of this call is to look for potential members to form a new affiliate, Economistas por la Paz y la Seguridad, our new name which rings as well in Spanish as it does in English.

The proposed affiliate has its own website at <http://www.eumed.net/paz/index.htm>. Here you can find information on a first "virtual conference" on the economics of peace and security, to be held January 11 - 31, 2005. The cost of participation is 10 Euros. There is also a call for volunteers.

You can also read Spanish translations of ECAAR documents, including James K. Galbraith's "Boom Time for War Inc.," the "US Economists' Statement on Iraq" of 2002, and our new "Military vs. Social Spending" fact sheet (see pages 13 and 14 for a handy tear-out version).

November 2004

NewsNetwork is published by Economists Allied for Arms Reduction, which promotes economic analysis and appropriate action on global issues relating to peace, security, and the world economy.

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Newsletter articles are based on the views of the authors and do not necessarily represent the views of the Board or the members of ECAAR.

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An Economist at the Wall

Sam Perlo-Freeman

This August, I spent three weeks in the West Bank with the International Solidarity Movement, a non-violent, Palestinian-led movement supporting the struggle for Palestinian freedom, and an end to the Israeli occupation. While I was there, I participated in an ISM march along the route of the wall/barrier that Israel is constructing in the West Bank.

The Wall, most of whose route is on the Palestinian side of the Green Line (see map, page 5) is causing enormous suffering and hardship to the Palestinian communities on either side of it. In some of the areas we passed through, unemployment had reached 95%, as a result of workers being cut off from their jobs and farmers from their land. Large swathes of olive and citrus trees have been destroyed to make way for the Wall, and farmers face intense difficulties in accessing their land on the other side. Even if they are granted permits to go through, often after long delays, they can't get permits for their laborers to harvest the crops. The twisting route of the wall, taking in Israeli settlements, greatly restricts mobility, making normal economic life impossible. The Wall also cuts off a large proportion of the West Bank's water resources.

Perhaps most shocking was the casual cruelty displayed by the Israeli authorities towards the Palestinians affected by the wall. In the village of Falameya, 500 promised permits for farmers to go through the Wall to their land were eventually provided - all in the names of dead people, children, the elderly, the disabled, and people who had moved away. In Jbarra, a village cut off by the Wall, children going to school on the other side have to pass through a gate, where the soldiers often

keep them waiting for hours, fail to turn up at all, arrive only to say that they've "lost the key," and regularly humiliate and insult them.

Not everything I saw was negative; north of Jerusalem there has been massive non-violent resistance to the Wall by Palestinians, internationals and Israeli activists, which has often successfully obstructed building, in spite of severe repression by Israeli forces. In some cases, Israeli courts have ordered sections of the Wall to be moved towards the Green Line; in Budrus, a village of just 1,000, sustained non-violent resistance, with strong involvement by women, caused the army to move the Wall to the Green Line, even without a court decision.

The economic damage caused by the Wall, the loss of land, employment opportunities and factor mobility, is very easy to see. I will add a few thoughts on the subject from an economics of conflict perspective.

First of all, the vast unemployment and deprivation caused by the conflict as a whole, but greatly exacerbated by the Wall, creates a huge impetus to continued violence, providing a large number of young men with very little to lose or to occupy their time - the opportunity cost of joining armed resistance groups is very low. The Palestinians are in the position of "desperate bargainers," where despite the enormous military odds against them, they will likely continue the conflict, as what is effectively being offered them (a collection of isolated enclaves behind the Wall) falls far below even minimal aspirations. A rational actor will accept a peaceful offer if it is better than they could expect to gain by conflict; but if the offer is below some

minimum threshold of acceptability, they may prefer to gamble on conflict. Thus, while the Wall may reduce the number of successful attacks, it guarantees the indefinite continuance of the conflict.

From an Israeli perspective, the Wall's ostensible purpose is as part of the mix of prevention and pre-emption deployed to combat suicide bombings. However, consideration of the route of the Wall precludes such an explanation. It is not simply that the Wall unnecessarily includes large numbers of Palestinians on the "Israeli" side. It is that the convoluted route enormously increases the length of the Wall, and therefore the cost of building and patrolling it. It cannot be seen as part of a cost-minimizing mix of measures to provide a given level of security. The Wall must therefore be seen as a physical means of pursuing the fundamental Israeli-Palestinian conflict over land and resources. It also plays a role in internal coalition-building, gaining the support of ordinary Israelis who hope it will increase security, but also of settlers and their supporters, who hope that the Wall will make the settlements behind it permanent.

Ultimately, the Wall threatens to render impossible what most observers regard as the only viable solution to the conflict - a two-state solution based on Israel's pre-1967 borders. It has been declared illegal by the International Court of Justice, and in my view should be opposed by all who hope for a just peace in the Middle East.

Dr. Sam Perlo-Freeman is a Defense & Peace Economist at the University of the West of England, Bristol. You can learn more about the International Solidarity Movement at <http://www.ism-london.org>.

Don't Forget to Write!

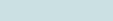
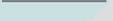
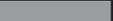
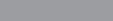
We are always interested in our members' work. Many of the articles in this and recent issues are by our members. If you have a paper that you think should be read by ECAAR's network of members, citizens, and policy makers, and could be adapted for our newsletter, please let us know by writing to katecell@ecaar.org.

We also welcome comments, suggestions, story ideas, and announcements for our print and electronic newsletters. Keep in touch!

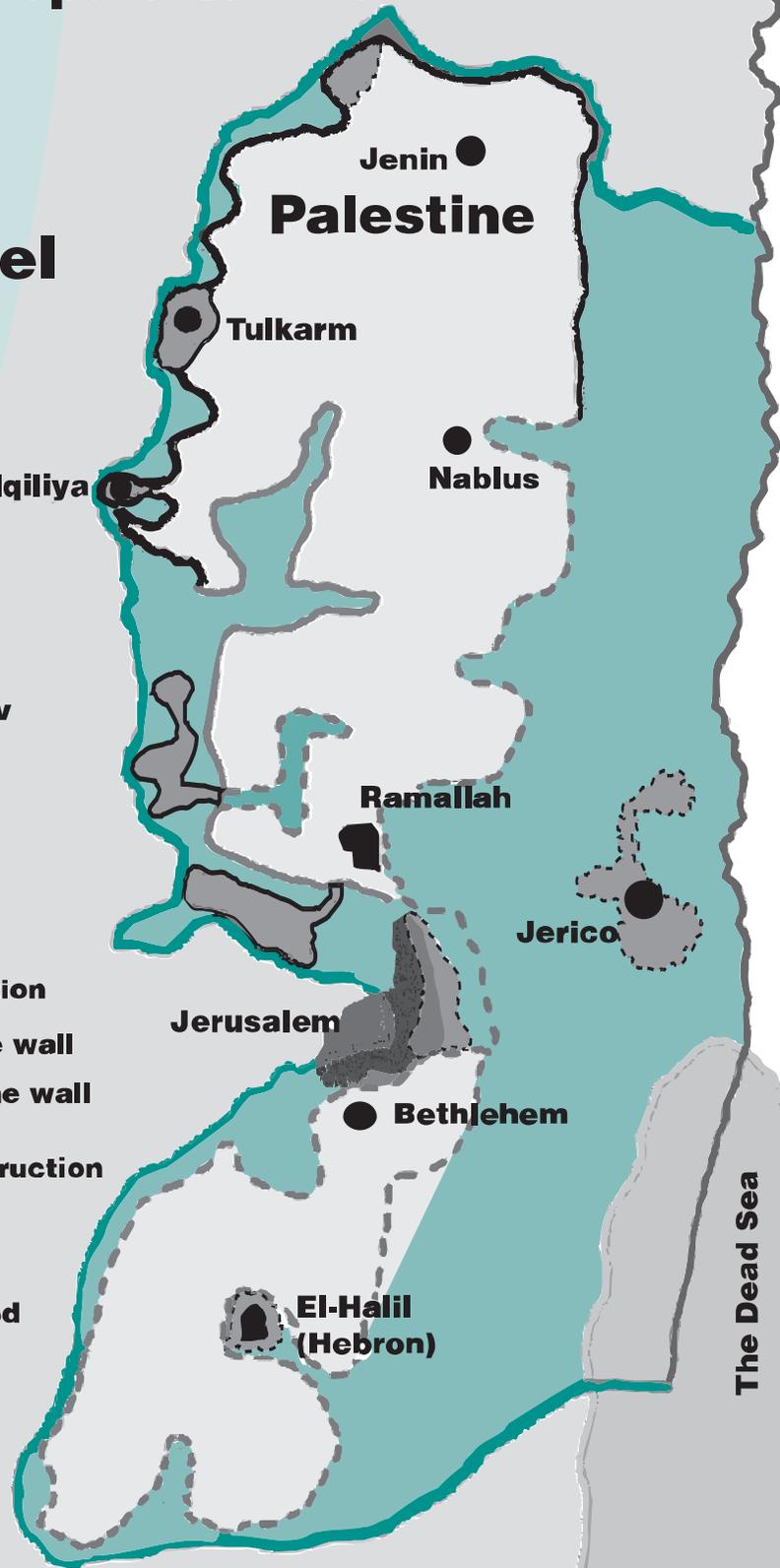
The Separation Wall



The West Bank and Gaza Strip, captured in 1967, comprise 22% of the pre-1948 Palestine. Upon signing the Oslo agreements, the Palestinians agreed to settle for this 22% and recognize Israel within the Green Line borders. Conceding 78% of the land was a historic Palestinian compromise.

-  The Green Line
-  Wall under construction
-  Approved path of the wall
-  Suggested path of the wall
-  Enclave under construction
-  Suggested enclave
-  Palestinian controlled territory
-  Israeli controlled territory

Source: "Yedioth Aharonot" May 23, 2003



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Understanding Civil Wars: We Need Better Data

Juan F. Vargas

Introduction

Recently, the Environmental Assessment Institute of Denmark organized a forum of experts including some Nobel laureates in Economics. The aim of the so-called Copenhagen Consensus was to commission leading scholars to assess the greatest challenges faced by humanity. The panel of experts examined the estimates and prioritized the challenges offering the best potential cost-benefit opportunities.¹

One of the challenges considered in the Consensus was the increasing incidence of civil wars. Indeed, there is now a fair amount of literature on how civil wars hinder economic and human development. This is also the view of multilateral institutions such as the World Bank, which gives growing importance to the analysis of causes and consequences of civil wars in developing countries.²

The experts of the Consensus unanimously agreed with the importance of civil wars as a major threat to development. Nevertheless, they actually omitted civil wars from their list of priorities, pleading insufficient information. What sort of information is there available on the nature and dynamics of civil wars and why is it insufficient?

The existing data

One of the first and most influential quantitative works on conflicts is the Correlates of War project (hereafter COW) described in the pioneering book by David Singer and Melvin Small.³ COW was the first long-term cross-country dataset on the incidence and intensity of both inter- and intra-state conflicts. Constantly updated, its use in quantitative analyses of war is still widespread, although nowadays other datasets are available. Alternatives are the Civil War Termination data, the datasets built respectively by Michael Doyle and Nicholas Sambanis and by James Fearon and David Laitin, and the Uppsala/PRIO dataset from the Department of Peace and Conflict Research at Uppsala University and the International Peace Research Institute at Oslo. But to varying extents all

of the later datasets build on COW.

The development of these cross-country datasets has supported a recent boom in the empirics of conflict, expanding our understanding of civil war and supporting policy advice on how to prevent and overcome these conflicts. However, a disturbing question is whether this advice rests on a weak empirical base, as implied by the conclusion of the Copenhagen Consensus. The available econometric findings have generated stimulating but inconclusive debates, and it may well be that the quality of the data is at fault. Surprisingly enough, until very recently no one seems to have posed the question: how good is the data we rely on?

Quality of standard cross-country datasets

Despite their common origins, there is considerable variety among cross-country datasets, beginning with the range of definitions of the object of study. Most of them include a measure of intensity (number of battle-related killings) but some omit intensity measures entirely and limit themselves to listing different conflicts and the time span in which they took place. Among those that do include a conflict intensity number, very few provide time series and when they do they give quite wide ranges. Most datasets just give aggregate numbers without underlying time series. In all cases, the numbers are often poorly documented, which makes it difficult to place great confidence in them.

In a recent paper, coauthored with Jorge Restrepo and Michael Spagat of the Royal Holloway College of the University of London,⁴ we discuss these issues and test the quality of the cross-country datasets. Here I summarize our simple approach.

Over the past two years, we have developed a general methodology for the in-depth measurement of conflict activity in a single conflict. We have applied this methodology to the Colombian civil war and the result of this effort is a detailed, high frequency time-series dataset (hereafter RSV) that covers more than 21,000

conflict related events over the period 1988-2003. For every event we record the date and the place of occurrence (at the level of the township); whether there was a clash between two or more forces or a one-sided, uncontested attack (in which case we distinguish the type of attack and the group responsible for it); and the number of killings and injuries.⁵ The data provides a detailed long-term picture of the temporal and spatial dynamics of the conflict as well as the evolution of the various conflict activities and their impact in terms of casualties. In building the dataset, we have greatly benefited from the efforts of the Colombian NGOs Centro de Investigación y Educación Popular and the Comisión Intercongregacional de Justicia y Paz, who publish Noche y Niebla, a quarterly periodical that lists events of political violence gathered from a large network of priests and collaborators as well as from over 25 national and regional newspapers.⁶ We complement this source with press reports and code it into a dataset after applying our methodological filter: we focus merely on civil war dynamics rather than the broader concept of “political violence” not necessarily connected with the conflict.

We evaluate the quality of the cross-country datasets on civil war by comparing their Colombia figures with those of RSV. The latter can be considered a “control dataset” for a sample of the former. Obviously, it is a sample of one, but in the short run it is the only feasible sample, given the high cost of building datasets with the level of detail and the degree of care that RSV applies to Colombia. At this stage we do not know the extent to which our conclusions can be generalized, i.e., whether we have sampled an outlier.

Our comparison suggests that the cross-country datasets have significant quality problems. There are two main issues to point out. First, there is a tendency to underestimate the intensity of the Colombian civil war in terms of the casualties it produces. This finding is especially meaningful because it is difficult to

(continued at the top of page 7)

argue that RSV, which rules out all non-conflict-specific violent manifestations (e.g. criminality figures), overestimates the yearly number of killings.

We compare the annual averages for killing rates in Colombia of RSV and 12 of the most important cross-country datasets of civil war. These averages are significantly below the RSV figure for all but four datasets. Of these four, two overestimates are actually very close to the RSV figures. The remaining two datasets provide ranks in which RSV lies, but the intervals are particularly wide.

The exercise with the annual averages is necessary since very few datasets provide actual yearly data. However, when possible we also compare RSV with the datasets that have time series. Almost all of these report wide ranges, making this comparison sometimes ambiguous. In spite of this, the majority of the estimates are unambiguously large underestimates of the annual intensity of the Colombian civil war compared to RSV. The unique case in which there is an overestimation in one year appears to be an error in the respective cross-country dataset. In the cases when the figures are compatible with RSV,

the ranges suggested by the datasets are very wide. For 2002, for instance, one dataset underestimates the death rate by 500 in one case and over 2700 in another.

The second main finding is that no dataset captures the actual dynamics of the civil war. In fact, the most prominent trend in the recent evolution of the Colombian war, namely its significant upsurge after 1996, is unreported in the cross-country information.

The future of civil war research

Understanding the nature, the dynamics and the consequences of increasingly common civil wars is necessary to provide urgent public policy advice. Over the last 20 years, the effort of quantitative researchers and social scientists has focused on the development and use of cross-country datasets. This approach has been useful and insightful. But civil wars are still a black box. Significant further progress in civil war research will require improvements and extensions of existing datasets and the development of new ones along the lines of the micro-dataset approach described in this article.

NOTES

1. For more, see www.copenhagenconsensus.com.
2. See the 2003 World Bank Policy Report, *Breaking the Conflict Trap: Civil War and Development Policy*. Online at <http://econ.worldbank.org/prr/CivilWarPRR/text-26671/>
3. *Resort to Arms: International and Civil Wars, 1816-1980*. Beverly Hills, CA: SAGE, 1982.
4. The Severity of the Colombian Conflict: Cross-Country Datasets vs. New Micro Data. Online at http://personal.rhul.ac.uk/pkte/126/Pages/research_on_colombia.htm
5. See a detailed description of the dataset in Restrepo, Spagat and Vargas' *The Dynamics of the Colombian Civil Conflict: A New Dataset*. Online at http://personal.rhul.ac.uk/pkte/126/Pages/research_on_colombia.htm
6. The latest issues of the periodical are online in Spanish at www.nocheyniebla.org.

Juan F. Vargas is completing his PhD in Economics at Royal Holloway University of London.

ECAAR at the EAEPE Annual Conference in Crete

Dr. Wolfram Elsner, founding member of ECAAR-Germany, organized ECAAR members as panel participants and a keynote speaker at the annual conference of the European Association for Evolutionary Political Economy (EAEPE), in Rethymno, Crete, Greece, October 28 - 31, 2004. This year marked the first official ECAAR presence at this important conference.

Dr. Michael D. Intriligator, Vice Chair of ECAAR's Board of Directors, gave a keynote address at the first plenary session. His talk was entitled "Globalization of the World Economy: Potential Benefits and Costs and a Net Assessment."

Dr. Elsner chaired two panel sessions on "The Political Economy of War, Peace and (Dis)Armament, and Arms Industries and Conversion." At the first session, Dr. Intriligator made introductory remarks. Two ECAAR members presented papers: Clark Abt (Countering Global Terrorist

Use of Biological and Nuclear Weapons by Civil Means) and Christos Kollias (The Effects of External Security Related Shocks on Financial Markets).

The second panel session included papers by the Chair of ECAAR-UK, Paul Dunne on "The Evolution of the International Arms Industries," ECAAR member Fanny Coulomb on "The Concept of Economic War," members Claude Serfati and Luc Mampaey on "The Alliance between the Arms Industry and the Financial Markets at the Turn of the Century," and Board member Lucy Webster's paper on "Overcoming War and Empire by Incentivizing Justice." (For more work by Drs. Serfati and Mampaey, see "Boom Time for War Inc.," page 1).

According to the EAEPE website at <http://eaepe.org/>:

"The main purpose in forming the association was to promote evolutionary, dynamic and realistic approaches to eco-

nomic theory and policy. Instead of the over-formalistic and often empty theorizing of orthodox economics, the aim was to bring together the ideas of a number of theorists and theoretical traditions, and to help to develop a more realistic and adequate approach to theory and policy."

EAEPE is the largest association of economists in Europe. It sponsors three awards: the Kapp Prize, the Myrdal Prize and the Herbert Simon Young Scholar Prize. EAEPE publishes a newsletter, and with Edward Elgar Publishing produces conference papers and other volumes. Members receive substantial discounts on publications.

Next year's conference will be held at the University of Bremen in Bremen, Germany. We all hope that this year's extensive ECAAR presence can be reproduced in 2005. If you are interested in participating, please contact Wolfram Elsner at welsner@uni-bremen.de.

Palestinian Suicide Bombers: A Statistical Analysis

Sean Yom and Basel Saleh

After the dust had settled from the attacks of September 11, world attention turned to the Israeli-Palestinian conflict for answers. Palestinians were using various suicidal-attack tactics for seven years before 9/11. These suicide attacks didn't better the lives of Palestinians one iota. Yet they continue. Researchers began a campaign of analysis to investigate the powerful motives that feed and nurture suicide attackers. Political scientists, anthropologists, and economists deployed the tools of their respective disciplines to analyze how an individual metamorphoses from a college student, to a living *shaheed*, and ultimately to a *shaheed*. Can this choice be rational or can it be rationalized?

Political scientists study suicide bombing as a strategy deployed by armed groups, and anthropologists examine the collective factors that create a "culture of martyrdom" which condones the behavior of suicide attackers. The

economists' take on the subject has been to extend the approach used in studying criminal and outlawed activities, as developed by Gary Becker, to studying suicide attacks. The levels of education and income were the primary explanatory variables as predicted by the theory of the economics of crime.

A New Approach

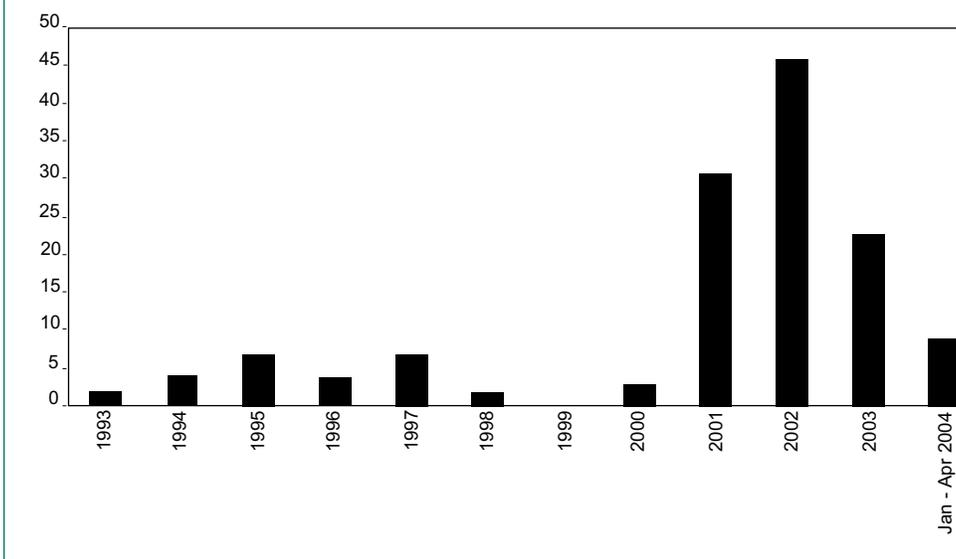
In our study we consider suicide attacks as a social and political phenomenon, one dependent on both organizational and individual-level explanatory dynamics. We offer qualitative and quantitative analysis to explain why Palestinian armed groups have stepped up their suicidal operations.

Although we recognize the importance organizations play in suicide attacks, we believe that focusing on these organizations alone is problematic. First, it cultivates highly axiomatic arguments about suicide attacks, which are seen as a functionalist outcome of religious extremism, an inevitable outgrowth of terrorist resources, or as the prevailing currency in the marketplace of militancy. Second, they negate the essence of individual agency. Suicide bombers are not simply "the instruments of terrorist leaders" (Ehud

have sent fighters on one-way missions involving extraordinary risk. For instance, in May 1990, the Abu al-Abbas organization dispatched 17 heavily armed Palestinians to an attack on Tel Aviv's Nizanim beach, where eventually four were killed and the rest captured. Moreover, during the First Intifada, Israel experienced a spate of stabbing attacks, or what was then labeled as a "war of knives;" in one such incident, three Palestinians boarded a Tel Aviv bus in December 1990 and stabbed numerous

passengers before all being killed or arrested.¹ However, the emergence of suicidal operations disturbed observers far more due to their devastating effectiveness and the readiness of the attacker to face imminent death. Suicide attacks combine elements of both material and psychological warfare. The bomber creates devastation and the mes-

Figure 1: Palestinian Suicide Bombings, 1993 - April 2004



Sprinzak, 2000), and neither are they innocent victims of brainwashing; they are, to borrow from Stanley Hoffman, "disturbingly normal" (1998). If suicide terrorism "can be sustained over time only when there already exists a high degree of commitment among the potential pool of recruits" (Robert Pape, 2003), then investigating what cultivates such devotion is critical. Impeding suicide attacks requires not only confronting the organizational demand for them, but also investigating the individual-level incentive to volunteer on the supply-side.

History of Suicidal Attacks

Historically, various Palestinian groups

message conveys desperation.

The first suicide attack ascribed to the Palestinian cause occurred on April 16, 1993, when a car bomb exploded near Mechola in the Jordan Valley. Between then and March 2004, 139 suicidal-attack incidents attributed to Palestinian operators transpired against Israeli targets (Figure 1). Between 1993 and September 2000, 27 suicide missions claimed 120 of the 290 Israeli deaths attributed to Palestinian attacks; since then, 112 suicide bombings have accounted for 474 of 918 Israeli Second Intifada fatalities while wounding more than 3,000, despite composing less than 1 percent of all violent incidents.² These tallies do not include

failed suicide operations (i.e. attacks intercepted by security forces or crippled by device failure); the number of attempted attacks is thus higher.

Suicide attacks are usually carried out by militant organizations acting independently of each other. But recently an increasing number of these attacks have been claimed by the collaborative efforts of two or more Palestinian militant groups. From 1993 through April 2004, 46 percent of all suicide bombings were carried out by Hamas, 29 percent by PIJ (Palestine Islamic Jihad), and 22 percent by Fatah (Figure 2); the remainder were by the Popular Front for the Liberation of Palestine (PFLP) or were claimed by two or more groups.

Findings from a New Database

Having constructed a database of 87 suicide attackers from the Second Intifada, we discovered recurrent social and demographic patterns.³ First, Palestinian suicide bombers are between the ages of 17-53, with mean and median falling at 22 years. Second, 38 percent had completed more than 12 years of education, having been university students or graduates at the time of the attack; only 28 percent failed to finish high school. Third, the majority had many siblings; 81 percent came from households with at least eight members, with fully six or more brothers and sisters. Fourth, almost all suicide bombers are unmarried and male, though the number of female bombers is rising. Suicide bombers are *better educated* than average - in the Palestinian distribution of educational achievement they are clustered on the right-hand tail. In addition, two new facts have recently surfaced. We suggest that two factors, economic deprivation and human cost, generate increased incentives to participate in militant activities, and we provide quantitative evidence in the support of this argument.

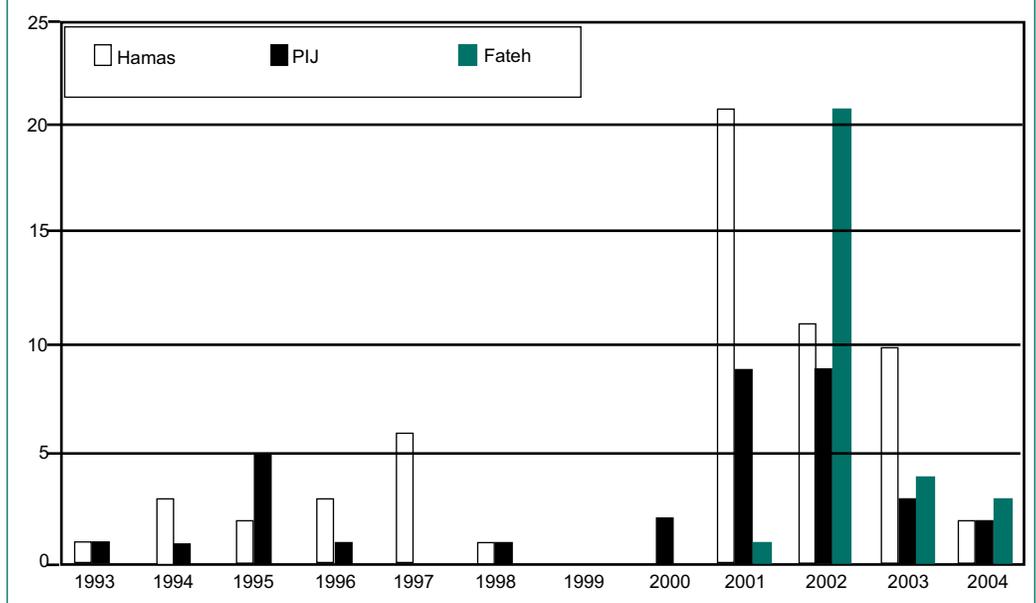
Revenge and Unemployment

As Table 1 (page 10) shows, there is evidence that many suicide attackers included a large number of Palestinians who had a

prior history violent encounters with the Israel Defense Forces (IDF) that resulted in an immediate family member being killed or in some cases the attacker him/herself was injured or arrested (due to space limitations only a sample of this data is included in this table). Revenge may be

Intifada have thrust bleak economic, social, and health conditions onto the territories. Because of the closure policy enforced by Israel on the Palestinian Territories since 1993, fluctuations in the unemployment rate are a result of direct political policy of Israel rather than busi-

Figure 2: Suicide Bombings by Group, 1993 - April 2004



a significant factor in motivating Palestinians youth to volunteer; in our preliminary search we found 44 (and counting) attacks where the operators had been exposed in the past to IDF force. Eleven of the 44 suicide attackers with grievances had a relative killed by the IDF; almost all were previously arrested or had had a family member arrested or injured. Combined with deteriorating economic prospects, such personal injuries may seed volunteerism among youths, making them relatively easy targets for organizational recruiters. From October 2000 through March 2004, over 2,800 Palestinian fatalities and 25,600 non-lethal injuries were attributed to the IDF. By the end of 2002, some 1,600 homes were destroyed, 14,000 damaged, and \$650 million of damage done towards public infrastructure. Unsurprisingly, suicide bombers often experience personal trauma related to the Israeli force prior to their volunteering, such as the death or injury of a family member.

Economically, more than three years of

ness conditions. This affects employment in two ways. First, because the Palestinian economy has long depended on Israel for absorbing from a third to a half of its labor force, such policies leave unemployed thousands of workers (Joshua Angrist, 1996). Second, closures disturb gainful employment within the territories. Consequently, Palestinian unemployment statistics are fixed in a unique pattern: the rate varies considerably within a given year due to closures, not as a result of cyclical or seasonal fluctuations in business conditions (see Table 2, page 10).

As collective strategies of repression, these closures deepen the stress borne by Palestinians and increase participation in violent resistance. Prior research posits correlative links between economic damage and violent outcomes in conflict scenarios (Manoucher Parvin, 1973), a finding confirmed in more recent studies that find a significant relationship between the two during the First Intifada (Marwan Khawaja, 1995). Suicide bombers are par-

(continued on page 10)

Palestinian Suicide Bombers (continued from page 9)

Table 1: Partial List of Suicide Attackers with Prior History of Injury or Arrest

SSA=Suicide Shooting Attacks. SBA=Suicide Bombing Attacks. FI=First Intifada.

| Date of attack | Grievance noted in bios posted on official websites of Hamas, PIJ, and al-Aqsa Brigades. |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11/7/2002 (SSA) | Cousin killed in gunfight with IDF. |
| 10/10/2002 (SBA) | Arrested in FI. |
| 5/13/2002 (SSA) | Arrested in 1995, held for one year. |
| 4/23/2002 (SSA) | Left note to family informing of intention to carry out attack in revenge for actions of IDF in Jenin Camp during incursion. |
| 3/31/2002 (SBA) | (i) Cousin assassinated, car bomb by Israeli Mossad. (ii) Older brother arrested by IDF. (iii) Arrested in 1997 by IDF. |
| 7/9/2001 (SBA) | (i) Injured in the eye by IDF during FI. (ii) IDF killed one brothers in 1987. (iii) IDF shot and fully paralyzed other brothers. |
| 5/25/2001 (SBA) | IDF killed older brother in FI. |
| 5/24/2001 (SBA) | Older brother beaten to death by IDF during FI. |
| 1/1/2001 (SBA) | Arrested twice before. |
| 11/7/2000 (SBA) with a boat | (i) Arrested once before. (ii) Lost three fingers in FI after the IDF shot him in the hand. (iii) IDF shot and injured three brothers, had two arrested. |
| 10/19/1994 (SBA) | (i) IDF killed brother in 1988. (ii) Arrested by IDF. |
| 12/13/1993 (First Suicide Bomber) | (i) Arrested twice and spent 2 years in Israeli jail. (ii) Orphaned at age 10. |

ticularly vulnerable to the severe economic conditions in the Palestinian Territories. Closure dampens earning potential while discouraging entry into the labor market. Overeducated against the mean, suicide attackers face high losses relative to their educational investment; since many come from larger families and face crushing obstacles in labor market entry, the lack of feasible economic alternatives produces higher probability of violent militancy.

Quantitative Evidence

Do these human and economic damages determine or predict the level of suicide attacks? To review these propositions, we construct a Poisson model to estimate the correlation between political violence and three variables: income, unemployment, and conflict intensity. Conflict intensity is the number of Palestinian fatalities resulting from the IDF force in a given year. No prior work on Palestinian violence has

has taken into account such “human” variables, despite the commonsensical notion that Palestinian fatalities may reflect some substantive measure of human suffering. The dependent variable is measured in three ways: suicide bombing attacks, shooting attacks, and total number of attacks.

The preliminary results cast doubt on prior hypotheses that failed to take into account the human cost of the Intifada (see

Krueger and Maleckova, 2002; Berrebi, 2003). According to the results of the estimated models, the number of Palestinians killed is an important determinant for militant violence, and economic factors become highly significant predictors for violence after accounting for conflict intensity. Shooting attacks appear to be more responsive to conflict intensity than suicide attacks (although suicide attacks are also significantly related to economic factors). This actually confirms existing patterns in violence; as the organizational-strategic theorists would suggest, the time, resources, and involvement spent in preparing a martyrdom operation highly varies according to the group-level dynamics and tactical requirements of the militant leadership; such lag time may skew the observed pace of suicidal bombings from the expected value, since a volunteer who may have just lost a brother or friend may not perform a mission until the group decides to do so. Shooting attacks, on the other hand, take little time to prepare and are launched spontaneously in response to ongoing Israeli incursions. This confirms our prior concession that organizations do matter in the spread of suicidal terror; but this also suggests that so, too, do individual-level factors in predicting overall levels of violence, when accounting for both suicide and shooting attacks.

With regard to the economic determinants of attacks we find that an increase in the Palestinian income per capita will reduce Palestinian attacks against Israelis; likewise, a reduction in the unemployment rate reduces the incentive for young

Table 2: High-Low Unemployment Rate during Selected Years

| | 1995 | 1996 | 2000 | 2001 |
|----------------|------------------|------|------|-------|
| Lowest | 11% WB 17% GS | 20% | 9% | 26.9% |
| Highest | 30% WB 33% GS | 50% | 28% | 35.5% |

Sources: World Bank, International Labor Organization, Palestinian Ministry of Labor, Palestinian Central Bureau of Statistics, IMF, UN Special Coordinator in the Occupied Territories.

Palestinians to participate in political violence. While these statistical estimations are still a work in progress, the early iterations show startlingly opposite findings to the widely disseminated research of mainstream economists over the last year.

Conclusion

Suicidal bombings are the product of both organizational strategy and individual-level incentives, and neither level of analysis is sufficient in explaining its rise during the Second Intifada. On the one hand, pursuing militant entities that deploy suicidal terror is a necessary component of an effective counterterrorist response. However, if individual-level economic and social factors also generate increased incentives for individual Palestinians to participate in these activities, stunting

organizational growth alone will not end attacks against Israeli targets. The micro-macro linkages highlighted in this study underscore the relationship between individual loss, on the one hand, and increased probability of participating or supporting violence on the other. Suicidal attacks are broadly correlated with certain conditions - economic deprivation and human loss - along with policy outcomes (closures and other structurally damaging policies); eroding the individual motives to support and participate in violence would necessarily include improving the structural health of Palestinian society. Though this would involve political compromises that both the Palestinian and Israeli government will loathe, the alternative is accepting the mounting cost of terrorism, and the counterproductive war against it.

NOTES

1. During 1990-1991, for instance, 34 stabbing attacks occurred against Israelis; this figure was collected from Al-Ahram (Arabic-language daily).
2. This and preceding data collated from ICT reports, Human Rights Watch, and the authors' own research in *Ha'aretz* and *Jerusalem Post* archives.
3. We culled data from English- and Arabic-language information sources, including newspapers, media reports, and militant groups' websites.

Sean Yom is a graduate student in Comparative Politics at Harvard University. Dr. Basel Saleh is Assistant Professor of Economics at the College of St. Benedict/St. John's University, and a member of ECAAR.

Revive Combined Action Platoons For Iraq

Marcus Corbin

Iraq is not going well. With at least 76 Americans killed in Iraq in September alone, it was one of the bloodiest months since the war began.

Interestingly, there is widespread agreement on the solution: Iraqi security forces must be strengthened to the point where they can provide security themselves, so the often unwelcome foreign forces can leave as soon as possible.

Why, despite this consensus, is the United States losing this key race? The problem is that the administration is not learning how to build effective local security forces from one of the few success stories in the Vietnam insurgency, the Marines' Combined Action Platoon (CAP) program.

Marines have taken the initiative to set up a few similar programs in Iraq, such as one within 3rd Battalion, 1st Marine Regiment, and with the Iraqi Shahwanis unit. But the model should be applied on a widespread basis in Iraq's hot zones if the emergency situation is to be turned around.

Before the Vietnam War, Army leaders skillfully resisted President John F. Kennedy's directive to improve counterinsurgency capabilities, preferring to focus on the traditional concept of applying overwhelming firepower against an enemy

that would stand up and fight, as worked in World War II and Korea.

In contrast, the Marines had plentiful experience fighting insurgencies and conducting interventions, particularly in Latin America between the world wars. Hence the CAP program, begun in 1966, found a

**Learn from one of
the few success
stories in the
Vietnam insurgency:
the Marines'
CAP program.**

receptive leadership and institutional climate in the Marine Corps.

The CAP program put squads of a little more than a dozen Marines in villages, to support, train and fight with existing Vietnamese units defending their own homes. The heavy artillery and air support used by most US forces would be less readily available for the CAPs - a risk for the Marines, but a substantial bonus in avoiding the destruction that lost local hearts and minds.

The early CAP program gained extraordinary results. Vietnamese units that had

refused to patrol or conduct operations began to do so in conjunction with the US units. Desertions dropped. The turnaround time of local units could be measured in weeks and months, not years.

Beyond the training they received, probably most important to the new military effectiveness of the local units was the morale benefit of working alongside Marines stationed with them for the long haul. The local forces knew the Marines were committed to them, and trust developed from the personal contact of living and dying together.

What's more, living near the people in the villages engendered the trust of the locals. That trust yielded the most important ingredient of fighting a guerrilla war - intelligence. Soon enough, the much-vaunted Viet Cong simply abandoned the struggle in some of the CAP areas.

The program had its difficulties and setbacks, of course, including challenges finding suitable personnel, shortage of language training, lack of integration with US aid and economic development teams, too-scattered implementation and little focus on underlying political issues. But its successes were remarkable given how the top military commander in Vietnam, General

(continued on page 12)

Revive Combined Action Patrols for Iraq (continued from page 11)

William Westmoreland, and other institutional players opposed and undercut the program, since it was in direct competition with their conventional war strategy.

Could a program that learned from the successes and failures of the CAP program be applied in Iraq? US casualties could rise, but it is interesting that the volunteers in the Vietnam CAPs felt the program was doing so much good they often extended their tours, despite the dangers.

The main difference from Vietnam - the more urban setting of Iraq - does not affect the underlying concepts of the program. The virtuous cycle for local security forces of increased morale, better training, successful engagements, more intelligence

and gaining trust from the local population should all combine to get tactical trends moving in the right direction again.

It is not enough to have a crash-training program for local forces, and to deploy US troops as backups, which the US forces are already doing. Without morale improvements, the recruits will run away just as fast - or take their newly developed military skills to the other side.

It is not enough to conduct joint US-Iraqi patrols. What is needed is true combined units that work together over time.

Such a shift in the US military focus can only provide tactical success, however. No matter how proficient local security forces are in an insurgency, political improve-

ments must be made as well. If citizens don't get the leaders, jobs, independence and pride they want, the war will drag on regardless of an "improvement" in the security situation.

Developing effective Iraqi security forces is merely the prerequisite, not the answer, to how to win the hearts and minds of the Iraqi people.

Marcus Corbin is Senior Analyst in the Center for Defense Information's Military Reform Project, and a member of the Security Policy Working Group (<http://www.funder.org/spwg>). This article is reprinted with kind permission from the Defense Times of October 11, 2004.

Security Policy Working Group: Recent Successes

The Security Policy Working Group (SPWG), formed in the summer of 2002, is a collaborative policy research consortium. ECAAR is one of the founding members, along with the Center for Defense Information (CDI), the Center for Strategic and Budgetary Assessments (CSBA), the National Priorities Project, and five other organizations and individuals. The group seeks to "reshape security policy in the United States and to broaden and deepen the public discourse on what constitutes true security in the aftermath of the September 11, 2001 terror attacks. We emphasize multilateral, cooperative approaches that lessen the need for, and use of, military force." The project is managed by the Proteus Fund, a public foundation funding programs that "expand access to [US] democracy with the goal of building and strengthening the social justice movement."

Over the past few months, SPWG and its constituent members have achieved some notable media and collaborative successes. On October 19th, SPWG hosted a Washington, DC press briefing on the effect of recent military operations on the US armed forces. Moderated by Carl Conetta of the Project on Defense Alternatives, the panelists were Lawrence Korb, a senior advisor at CDI, James Fallows of *The Atlantic*, Pat Towell of CSBA, and Col. Douglas MacGregor

(ret.). The panel warned that the US military is severely overstretched. "We have focused our attention on everything other than what counts... [we need to strengthen] a robust, capable force, [find] ways to reduce the overhead, and convert it into something that's inherently joint," MacGregor said. Reporters from the *Washington Post*, *New York Times*, *USA Today*, *Newsweek*, Gannett News Service, *Business Week*, *Army Times*, and Talk Radio News Service attended the standing-room only event, which was shown twice on C-SPAN. Enter "Security Policy Working Group" into the search engine of <http://www.c-span.org>, and the entire briefing can be seen on a PC.

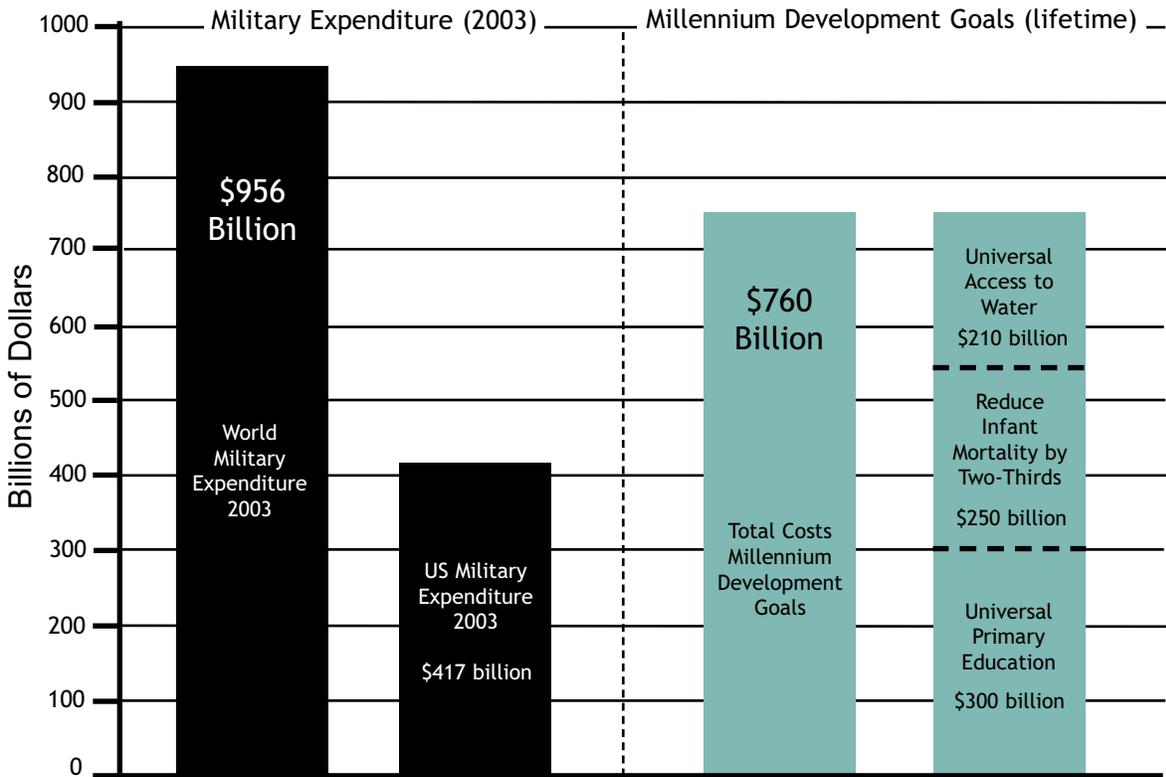
Two other SPWG members, the Arms Trade Resource Center and the New School's Graduate Program in International Security, sponsor the "Economics of Security in a Post-9/11 World" study group, which meets monthly in New York City. This group is a follow-on effort from ECAAR Board member Ann Markusen's study group on defense issues at the Council on Foreign Relations. Meetings have resumed after a summer break. At the first autumn session, "Economic and Budgetary Aspects of the War on Terror," SPWG members David Gold and Cindy Williams made presentations. Both these authors will be familiar to readers of ECAAR NewsNetwork. For more infor-

mation on the study group, make sure to sign up for ECAAR's monthly electronic newsletter, NewsNotes, or visit <http://www.worldpolicy.org/projects/arms/study/index.html>.

SPWG's Winslow Wheeler, known to defense reform insiders as "Spartacus," is a fellow at the CDI and a former staffer to Senator Pete Domenici. His book *The Wastrels of Defense: How Congress Sabotages US Security* (Naval Institute Press) has just appeared. One reviewer remarked: "[It] should be required reading for every member of the House and Senate, though it may be impossible to shame the shameless." This book is recommended reading for all ECAAR members; it is available from Amazon.com for \$19.11.

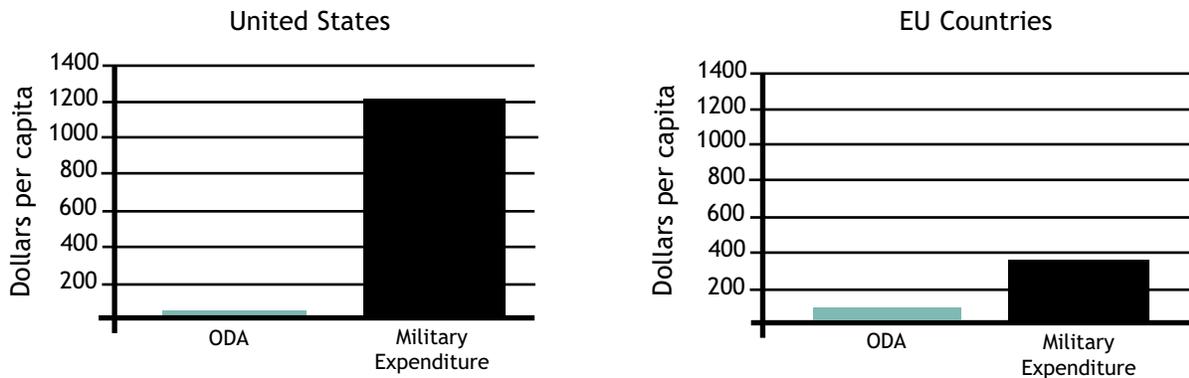
ECAAR, working with fellow SPWG member the National Priorities Project and with Women's Actions for New Directions (WAND), has recently submitted a grant proposal for a project to study the return on various types of federal investment, comparing the rate of return for military spending with other forms of government expenditure. If the project is funded, ECAAR will undertake the economic research and WAND and NPP will be responsible for grassroots and political lobbying work based on the results.

See <http://www.funder.org/spwg> for more information on the Working Group.

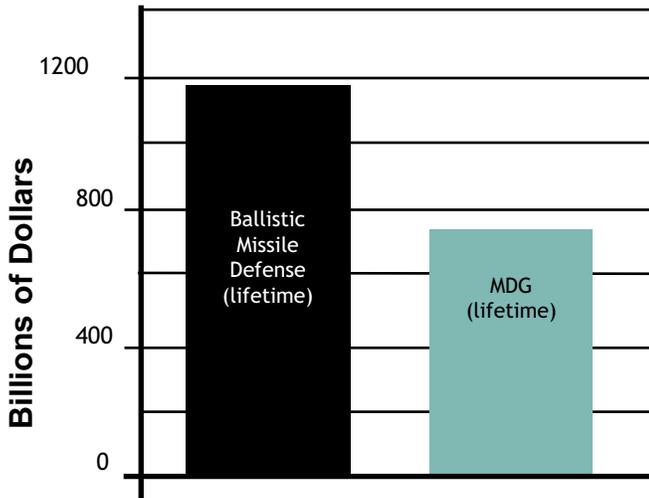


In 2003, the world spent more than \$900 billion on its militaries, with the US contributing nearly 50% of the total. World military expenditure in one year is greater than would be required to fulfill the Millennium Development Goals in 11 years. If **10% of world** military expenditure, or **20% of US** military expenditure, were diverted yearly, the MDG could be fully funded.^{1,2}

Aid vs. Military Expenditure



In 2002, the US spent \$1,217 per capita on its military and \$46 per capita on Official Development Assistance (ODA); **only 23% of US ODA went to least developed nations**. For every 25 dollars spent on the US military, approximately one dollar is given in ODA, with 23 cents for those most in need. For a comparison of how other societies weigh these priorities, we can look at the European Union. The EU countries spent \$358 per capita on their militaries and \$61 per capita on ODA in 2002, 32% of which went to least developed nations.³

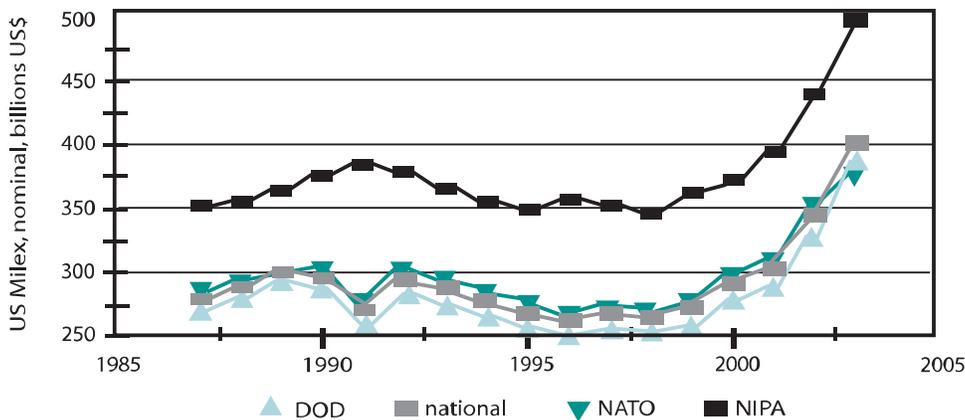
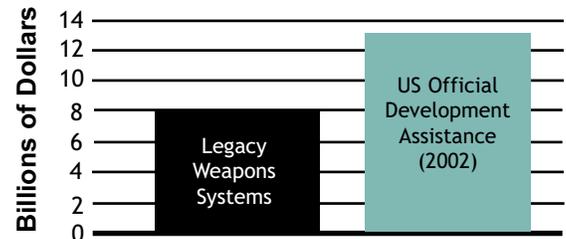


BMD vs. MDG

If the US proceeds with plans to build a multi-layered Ballistic Missile Defense system, lifetime costs could reach **\$1.2 trillion dollars**. Many experts believe such a system could be circumvented with cheap countermeasures, and that it may renew the arms race. For **less than two-thirds** of the cost of a ballistic missile defense system, the US could fully fund the entire Millennium Development program.⁴

Still Fighting The Cold War

The US currently spends **\$8.1 billion yearly** on three Cold War “legacy” systems: the F/A-22 Raptor fighter, the Virginia-class submarine, and the DDX destroyer. These systems were conceived to combat superpowers, such as the Soviet Union, and are not useful to counter today’s threats. If the US canceled these programs and diverted the funds to OAD, OAD could be **60% higher yearly**.⁵



And That’s Not All

Maintaining the US military is even more expensive than the above figures indicate. US military expenditure, as tracked by the National Income and Product Accounts (NIPA), which provide more comprehensive data, was **\$100 billion higher** in 2003 than DoD budget figures suggest.⁶

Sources:

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5. *A Unified Security Budget For The United States*, Foreign Policy In Focus/Center for Defense Information. <http://www.fpiif.org/pdf/defensereport/fulltext.pdf>
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ECAAR Panel Sessions at the AEA/ASSA Annual Conference

Philadelphia Marriott Downtown, 1201 Market Street, Philadelphia, PA. January 7 - 9, 2005.

Friday, January 7
10:15am
Marriott Hotel
Grand Ballroom Salon K

THE ABUSE OF POWER

Presiding: James K. Galbraith

Bill Black, University of Texas at Austin

Control Fraud and the Corporation

James K. Galbraith, University of Texas at Austin

The Corruption of Economics and Policy

Robert Prasch, Middlebury College

Shifting Risk: The Divorce of Risk from Reward in American Capitalism

Janine Wedel, George Mason University

Corruption and Transition in Russia and Eastern Europe

Jack Blum, Esq., Lovel, Novings, Lamont. Discussant.

Friday, January 7
2:30am
Marriott Hotel, Room 402

THE ECONOMICS OF SPACE WEAPONS

Presiding: John Steinbruner

John Steinbruner, University of Maryland

The Significance of Space Policy

Nancy Gallagher, University of Maryland

The Commercial Space Industry: Incentives for Cooperation and Competition

Jeffrey Lewis, University of Maryland

Space Weapons Spending in the FY05-06 Budget

Martin Malin, American Academy of Arts and Sciences.

Pathways to Cooperation in Space

Saturday, January 8
2:30pm
Lowe's Hotel
Room Washington C

THE POLITICAL ECONOMY OF MILITARY SPENDING (URPE/AEA/ECAAR)

Presiding: Gerald Epstein, University of Massachusetts at Amherst

Lloyd J. Dumas, University of Texas at Dallas

Bang for the Buck: The Real Effects of Military Spending on Security

James K. Galbraith, University of Texas at Austin

The Costs of War

David Gold, New School University

Does Military Spending Stimulate or Retard Economic Performance? Revisiting an Old Debate with New Data

Ann Markusen, University of Minnesota

The Economic and Security Consequences of Privatizing National Security

Peace Science Society Panels at the AEA/ASSA

Our colleagues of the Peace Science Society International (PSSI) will be holding three panel sessions during the AEA/ASSA conference in Philadelphia, January 7 - 9.

ECAAR Trustee Walter Isard will chair a session on "Globalization and International Conflict." Participants will include Charles Anderton, Joel Guttman, Solomon Polachek, and Carlos Seiglie.

A session on "The Causes and Effects of Terrorism" will feature Solomon Polachek, Gary Becker, ECAAR Vice Chair Michael

Intriligator, and Todd Sandler.

The final session, "Religion, Violence and the Economy," will include Martin McGuire, Eli Berman, Daniel Chen, and Michelle Garfinkel.

Room and time assignments were not available at press time. Please check your AEA/ASSA conference program for more specific information, or visit our exhibition booth (see page 16).

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Events at the AEA/ASSA Annual Conference

Philadelphia Marriott Downtown
 1201 Market Street, Philadelphia, PA. January 7 - 9, 2005.

Annual Membership Meeting

Learn about the name change and other organizational developments. Hear reports of 2004 activities. Share your ideas for research and outreach. If you don't already know us, meet us here! All are welcome.

Saturday, January 8, 2005
 5:30pm - 6:30pm
 Philadelphia Marriott Downtown Hotel Room 307

ECAAR Annual Dinner honoring***Dr. Robert M. Solow***

Dr. Solow will speak on the topic "Last Thoughts on Investment and Growth"

Saturday, January 8, 2005
 Philadelphia Marriott Downtown Hotel, Liberty A
 Reception 7:00pm, Dinner 7:30pm
 Dinner tickets are \$75 for members who register by December 17, 2004;
 \$100 for nonmembers and thereafter

Host Committee

Chair: Allen Sinai

*George Akerlof, Karen Arenson, Martin Bailly, Olivier Blanchard,
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Visit our Booth in the Exhibitors' Hall

For the past couple of years, we've had an "association table" at the AEA/ASSA meetings. This year, for the first time, we'll be in the exhibitor's hall as well. Stop by to pick up literature, or just to visit with the staff.

Our booth will be in the second aisle from the registration area, number B125. We look forward to seeing you there.

ECAAR NewsNetwork

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