

ECONOMISTS for PEACE & SECURITY

NewsNotes - February 2008

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*Peace is the marriage of
the people and the planet,
with all attendant vows.*

—Anonymous

EPS News

- EPS is pleased to welcome these new members:

To the Board of Trustees
 - Eric Maskin, Institute for Advanced Study
 - Thomas Schelling, University of Maryland
To the Board of Directors
 - Linda Bilmes, Kennedy School of Government, Harvard University
 - Jeff Madrick, Challenge Magazine
As Fellows:
 - Bill Hartung, Arms and Security Initiative, New America Foundation

- Winslow Wheeler, Straus Military Reform Project, Center for Defense Information



EPS will host a session and a table in the exhibit hall at the **Eastern Economics Association** in Boston, March 7 - 9.

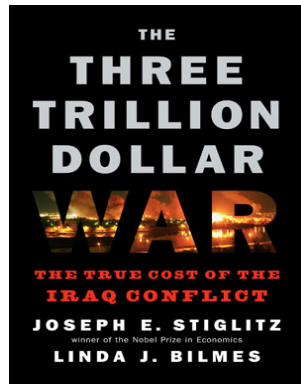
Our session, which will take place Friday, March 7 at 2:00pm, is entitled *The Privatization of War and Conflict*. Speakers will be:

- Anita Dancs, the National Priorities Project, *The Privatization of the Iraq War*;
- Frida Berrigan, the Arms and Security Initiative of the New America Foundation, *Trading in Arms: For Security, Friendship or Profit (or all three)?*
- Maeve Powlick, Skidmore College, *For-Profit Firms Performing State Functions: The Case of Conflict Countries in Africa*.

See <http://www.iona.edu/eea> for more information on the conference.



Joseph Stiglitz's and Linda Bilmes' new book, *The Three Trillion Dollar War - The True Cost of the Iraq Conflict*, will be released by Norton on March 3.



This study casts a spotlight on expense items that have been hidden from the US taxpayer, including big-ticket items like replacing military equipment and the cost of caring for thousands of wounded veterans - for the rest of their lives. Shifting to a global focus, the authors investigate the cost in lives and economic damage within Iraq and the region. Finally, the authors measure what the US taxpayer's money would have produced if instead it had been invested in the further growth of the economy. Written in language as simple as the details are disturbing, this book will forever change the way we think about the war.

For more information on this book, which got its start as an EPS conference session paper, please visit

<http://www.wwnorton.com/catalog/spring08/006701.htm>



Taking a moment to pat ourselves on the back, we read with pleasure this report on the ASSA meetings from the Brookings Press blog. "Panel topics that captured people's attention included expert discussions of the subprime crisis, climate change, the economics of national defense, and post-Katrina recovery. Among the speakers commanding large audiences were Paul Krugman, Jamie Galbraith, Joseph Stiglitz, Alan Blinder, and Robert Shiller," says the author.

<http://brookingspress.typepad.com/bipblog/2008/01/allied-social-s.html>



Five former NATO generals, including former chairman of the US Joint Chiefs of Staff John Shalikashvili, have written a "radical manifesto" which states that "the West must be ready to resort to a pre-emptive nuclear attack to try to halt the 'imminent' spread of nuclear and other weapons of mass destruction."

James Galbraith, chair of EPS, calls this a criminal idea and says, "Attacking other countries to stop them acquiring nuclear weapons repudiates a key principle of international law...As the former Reagan official Paul Craig Roberts has pointed out, [this doctrine] holds that our use of weapons of mass destruction to prevent the acquisition of weapons of mass destruction is not, itself, an illegal use of

weapons of mass destruction. Thus 'the west' can stand as judge, jury and executioner over all other countries."

Read Dr. Galbraith's comments, published in the Guardian on January 25 at http://commentisfree.guardian.co.uk/james_k_galbraith/2008/01/a_criminal_idea.html

To read more about the generals' doctrine, go to <http://www.guardian.co.uk/nato/story/0,,2244782,00.html>

"The biggest banks in America - the crown jewels of US financial power - are being bailed out by foreigners. Billion after billion is being pumped in from China and Singapore, Kuwait and Korea and Dubai. American bankers made a killing in the subprime lending boom. Now, in the subprime bust, they've gone hat-in-hand, selling the family jewels to cover their assets, and maybe yours... It's a rescue, but make no mistake - it's also a marker of power shifting away from the USA."

James Galbraith and Joseph Stiglitz discuss the subprime crisis on On Point, the syndicated National Public Radio show. On Point puts each day's news into context and provides a lively forum for discussion and debate. Its topics are often taken from the biggest news stories of the day while others have a direct connection to issues that are at the core of what is urgent and important in the world at the moment.

http://www.onpointradio.org/shows/2008/01/20080117_a_main.asp

Vol. 3, No. 1 - Symposium: The UK Military Industrial Complex of the Economics of Peace and Security Journal is now online.

EPS members receive a 25% **discount on the annual subscription** to the Economics of Peace and Security Journal. Regular one-year subscriptions are \$40 per year; for EPS members the one-year subscription is \$30.

The Journal is a peer-reviewed online publication hosted by EPS-UK. Published twice yearly, it raises and debates all issues related to the political economy of personal, communal, national, international, and global peace and security. Past contributors have included Joseph Stiglitz, James Galbraith, and Lawrence Klein. The Journal's website also includes book reviews submitted by members and subscribers.

For more information or to subscribe to the Journal, please visit: <http://www.epsjournal.org.uk/>

To become a member of EPS (and to qualify for the subscription discount) please visit: <http://www.epsusa.org/membership/membership.htm>

Call for Papers: The Twelfth Annual Conference on Economics and Security will take place June 11 - 13, 2008 in Ankara, Turkey.

Over the last few decades, economic analysis of security issues has been crucial for public policy makers, with billions of dollars being spent on security related products and services each year and crucial peace making and keeping actions also playing an important role in European policy making. With the integration and the enlargement of the European Union, questions regarding the common understanding of economics of security have to be critically reconsidered, both theoretically and empirically.

Offers of papers regarding these issues are invited for this conference sponsored by Economists for Peace and Security, Middle East Technical University, Turkish Scientific and Research Council (TÜBİTAK), and the University of the West of England. Deadline for submission of abstracts is March 17, 2008.

The complete call for papers is at <http://carecon.org.uk/Conferences/Conf2008/Call2008.pdf>

Further details about the conference are at <http://www.stps.metu.edu.tr/conference08/>

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Links

Twenty-three organizations launched a coalition to stop the Bush Administration's proposed nuclear trade agreement with India on January 15. The proposed agreement would exempt that nuclear-armed nation from longstanding US and international restrictions on states that do not meet global standards to prevent the spread of nuclear weapons.

The Campaign for Responsibility in Nuclear Trade, a partnership project of 23 nuclear arms control, non-proliferation, environmental and consumer protection organizations, opposes the July 2005 proposal for civil nuclear cooperation with India and the additional US concessions made to India as a result of subsequent negotiations because they pose far-reaching and adverse implications for US and international security, global nuclear non-proliferation efforts, human life and health, and the environment. More information about the campaign can be found at www.responsiblenucleartrade.com.

The Center for Arms Control and Non-Proliferation has prepared a moving, short video on the cost of the Iraq War. The video finishes with the admonition to "know the costs," but their numbers are far lower than those enumerated by Joseph Stiglitz and Linda Bilmes. The video also lists only the combat wounded and uses a low-end estimate for Iraqi civilian deaths as well. But it's a good start.

http://www.clw.org/policy/iraq/resources/clippings/iraq_war_costs_video/

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In Other News

On January 23, World Public Opinion released the results of a new poll showing that most Americans and Russians agree that their governments should work together to prevent an arms race in space. Large majorities in both countries favor unilateral restraint and a treaty that would keep space free of weapons. Americans and Russians also support treaties that would prohibit countries from attacking or interfering with each others' satellites and from testing or deploying weapons designed to attack satellites.

http://www.worldpublicopinion.org/pipa/articles/home_page/444.php?lb=hmpg1&pnt=444&nid=&id=

On January 15, former Secretaries of State George Schultz and Henry Kissinger, former Secretary of Defense William Perry, and former Senator Sam Nunn published their second widely-circulated op/ed in the *Wall Street Journal* calling for the control and abolition of nuclear weapons.

To read *Toward a Nuclear-Free World*, the January 15, 2008 op/ed, please go to http://www.gs institute.org/docs/01_15_08_WSJ.pdf

The original op/ed, *A World Free of Nuclear Weapons*, published January 4, 2007 can be found at http://www.gs institute.org/gsi/newsletter/newsletter_2007-01-17.html#wsj

Despite aggressive recruitment efforts, the Army failed to meet its own recruitment benchmarks once again in 2007. The impact of the Iraq War is evident in the Army's failure to meet its own benchmarks. Only 71 percent of Army recruits in 2007 had a regular high school diploma, missing the Army's benchmark by close to 20 percentage points. Department of Defense (DoD) studies have shown that a high school diploma is the most powerful indicator for recruits' success.

The National Priorities Project details national, state and county-level analysis of 2007 military recruits at <http://www2.nationalpriorities.org/sites/all/modules/civCRM/extern/url.php?u=52927&qid=72221>.

Cindy Williams recently released a report on resource allocation for homeland security, published as a Presidential Transition paper by the IBM Center for the Business of Government. Read it at http://www.businessofgovernment.org/main/publications/grant_reports/details/index.asp?GID=303.

The latest issue of Peace Economics, Peace Science and Public Policy, Volume 13, Issue 2, is now available. Editors (and EPS members) Walter Isard of Cornell University and Raul Caruso of the Universita Cattolica del Sacro Cuore bring us four new papers:

- *Mediation Analysis: The Use of Regional Science Methods to Resolve Conflicts*, Walter Isard and Sung Hun Han
- *The Sensitivity of Critical Risk Values to Small Changes in the Value of the Status Quo*, Lisa J. Carlson and Raymond Dacey
- *Irrationality, Non-equilibrium Conflict and Complex Dynamics*, Partha Gangopadhyay
- *Toward Independence or Unification?* Wen-Chun Chang

The articles can be read at <http://www.bepress.com/peps/>

Call for Papers: The Social Science Research Center (WZB) will present a conference and special issue of Economics of Governance in Berlin on March 29, 2008. The topic will be *Causes and Consequences of Conflict*.

In recent years, theory and empirical research in Political Science and in Economics have made major progress in identifying and analyzing the causes and consequences of conflict. In view of this progress, Economics of Governance <http://www.springerlink.com/content/1435-8131/> invites contributions on Causes and Consequences of Conflict for a special issue on this topic.

The issue will be edited jointly by Johannes Münster (WZB and Free University of Berlin) muenster@wzb.eu and EPS member Stergios Skaperdas (UC Irvine) sskaperd@uci.edu.

In 2006, the journal published a special issue on related topics. This issue is available at <http://www.springerlink.com/content/p15783r04683/>.

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█ **Defending a Non-Interventionist Foreign Policy** by Robert Higgs, writing for the Independent Institute's Lighthouse.

A foreign policy of military non-intervention, peace and free trade has been a hallmark of American libertarian thought for centuries, spanning from the Founding Fathers' admonitions against "entangling alliances" on through the classical liberal tradition of the nineteenth century; from the Old Right disaffection with World War I to the campaign speeches of libertarian Republican presidential candidate Ron Paul today. One of the most common criticisms is that this foreign policy is too simplistic and ignores inconvenient lessons of history. It is along these lines that Bret Stephens recently criticized non-interventionism in *The Wall Street Journal*.

Whereas critics often accuse libertarians of ignoring real evil in the world, Higgs asserts that "[l]ibertarians. . . fully recognize that some men are vicious, vainglorious, and imperious. Further, unlike Stephens, libertarians recognize that the dangers such men pose to society will be magnified enormously in the event that they gain government power." And while the very active state is ostensibly necessary for the maintenance of international and domestic order, Higgs is unconvinced by the actual track record: "Americans now face terrorist threats in many parts of the world when they go abroad, the 'blowback' from various US interventions; national-security outlays, all military-related things being included, of a trillion dollars a year loaded onto American taxpayers; unprecedented revulsion against Americans and their government around the world; oil selling at close to \$100 a barrel; and political leaders who look forward with equanimity to keeping US forces in Iraq for another hundred years."

Higgs concludes that "the true lesson of history" is that "war, preparation for war, and foreign military interventions have served for the most part not to protect us, as we are constantly told, but rather to sap our economic vitality and undermine our civil and economic liberties."

Libertarian Foreign Policy in the Hobbesian Crosshairs: A Reply to Bret Stephens can be read at <http://independent.org/newsroom/article.asp?id=2105>

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Funding and Employment Opportunities

█ The National Priorities Project (NPP) seeks a full time **Research Director** to continue and build NPP's impact in making progressive change. As the organization that brought the cost of the Iraq War home to every congressional district, county, city and state, NPP seeks a Research Director with strong quantitative skills to supervise the work and personnel in the Research Department. This position plans and executes the research necessary for the hard-copy and on-line materials NPP produces and works closely with other staff in the development and direction of the organization. The Research Director also supervises technical staff and holds overall responsibility for information technologies including NPP websites. While IT is part of the Research Department, this position is not expected to have technical IT expertise.

To learn more and find out how to apply, click [here](#).

█ The East Asia Institute (EAI), an independent non-profit research and educational institution in Seoul, Korea, offers a **Fellows Program on Peace, Governance, and Development in East Asia**. The Fellowship was established in 2005 by EAI, as an international exchange program for scholars with expertise in peace, governance, and development in East Asia. Funded by the Henry Luce Foundation of New York, the East Asia Foundation of Seoul, and the Chang Ching-Kuo Foundation for International Scholarly Exchange of Taipei, it invites established and next-generation East Asianists of the United

States to give seminars and lectures based on unpublished articles submitted exclusively for the Fellows Program during their visit of three weeks to two or more institutions of higher education in East Asia. The EAI Fellows hold seminars and lectures, based on an unpublished article submitted solely for the purpose of the Fellows Program, at the Programs Member Institutions: the East Asia Institute in Seoul, Fudan University in Shanghai, Keio University in Tokyo, Peking University in Beijing, and Taiwan National University in Taipei.

There will be five Fellows in 2008. Each of the Fellows receives a stipend of USD10,000 for the cost of travel and accommodation in East Asia for three weeks. Application is open to tenured, tenure-track as well as non-tenured East Asianist professors based in the United States conducting research in the fields of political science, international relations, and sociology. Seminars and lectures will be conducted in English. The deadline for receipt of applications is May 31, 2008. Applicants will be notified of the decision on July 20, 2008.

More information is at http://www.eai.or.kr/english/fandj/FP01_temp.asp

■ The James Martin Center for Nonproliferation Studies and The Nonproliferation Review are pleased to announce the **Doreen and Jim McElvany 2008 Nonproliferation Challenge Essay Contest**, featuring a \$10,000 grand prize and a \$1,000 prize for the most outstanding student essay (students are eligible to win the grand prize).

The contest is designed to find and publish the most outstanding new papers that address contemporary nonproliferation challenges from nuclear, chemical, and biological weapons, including those involving both state and non-state actors.

Entries should not exceed 10,000 words (including endnotes) and must be the original, unpublished work of the author(s) and not under consideration for publication elsewhere. The submission deadline is March 31, 2008.

Complete contest rules and instructions can be found at <http://cns.mii.edu/pubs/npr/contest/index.htm>.

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EPS Publications and Resources

■ **Proceedings from the EPS conference *War and Poverty, Peace and Prosperity***, held May 30 - June 1, 2007 in Annandale-on-Hudson, NY, are available in hard copy or [PDF](#). [Audio and transcripts](#) of each session are also posted on our website. To request a hard copy, please email Thea Harvey at theaharvey@epsusa.org.

■ **"Arms, War and Terrorism in the Global Economy Today: Economic Analyses and Civilian Alternatives"** is a volume published by Bremer Schriften zur Konversion that presents papers of two joint seminars of EPS and the European Association for Evolutionary Political Economy (EAEPE) which took place in Rethymon, Crete, Greece, complemented by papers from the Second International Conference on Defense, Security, and Economic Development held in Larissa, Greece in 2004.

Contributing authors include Michael Intriligator, Fannie Coulomb, Jacques Fontanel, Jurgen Brauer, Gulay Gunluk-Senesen, J. Paul Dunne, Luc Mampaey, Claude Serfati, Christos Kollias, Clark Abt, and Lucy Law Webster, as well as many other notable economists.

The book is available from the publishers, LIT Verlag, for €24.90 at <http://www.lit-verlag.de/isbn/3-8258-0045-1>.

■ **Fact Sheets:** Periodically, we release two-sided fact sheets designed to give an accessible, graphic look at one specific issue of concern to our members and constituency.

Global Arms Trade 2004 examines the world's supplies of conventional weapons and small arms.

<http://www.epsusa.org/publications/factsheets/globalarmstrade.pdf>

Military vs. Social Spending: Warfare or Human Welfare compares US and global military spending with the costs of achieving the UN Millennium Development Goals.

<http://www.epsusa.org/publications/factsheets/milexMDG.pdf>

■ **Conflict or Development?** This book has a regional focus on Africa, the site of most of the world's current armed conflicts. In its pages some of the leading economists of the day analyze and reflect on the relationships among military spending, domestic and foreign policy, security, and human welfare. Features include country studies, sections on business and conflict, and "Trends in World Military Expenditure." Written in clear English, with informative maps, tables, and graphs, the series is designed to inform the debate among policymakers, activists, journalists, academics, students, and citizens worldwide.

You can order *Conflict or Development* by emailing theaharvey@epsusa.org.

Conflict or Development is also a valuable resource in teaching economics, political science, and international relations courses. To review a copy for use in your syllabus, email Thea Harvey at theaharvey@epsusa.org.

■ **The Full Cost of Ballistic Missile Defense.** This study estimates that the total life cycle cost for a layered missile defense system could reach \$1.2 trillion through 2035. You can download the PDF file from <http://www.epsusa.org/publications/papers/bmd/bmd.pdf>, or order a copy of the report from the cosponsor of the study at <http://www.armscontrolcenter.org/nmd/fullcost.html>.

■ **Data Resource webpage** offers links to data sources for:

- International military expenditure and conflict indicators
- US military expenditure and capabilities
- Western Europe
- Russia

<http://www.epsusa.org/network/data.htm>. If you know of a data source that you feel should be added to our list, please contact Thea Harvey at theaharvey@epsusa.org.

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Action Corner

■ The presidential candidates debate at length over the state of the economy, health care, immigration - all important issues for helping voters make decisions about whom to support. But **the big, tough questions are about the overwhelming US reliance on military power as the primary tool for US**

engagement in the world and the failure of the war in Iraq. These questions are slipping off the radar screens in much of the media and in public discussions during the campaign.

While the US has invested hundreds of billions of dollars to build capabilities to fight and win wars, little money or time has been invested in developing the tools necessary to prevent deadly conflict. Fully 94 percent of the total U.S budget for foreign engagement is devoted to the military - some \$484 billion. This lack of funding has forced the State Department to leave 10 percent of US diplomatic positions worldwide unfilled, resulting in empty desks at US Embassies around the world. When US policymakers look for tools to respond to wars and escalating conflicts, they find a toolbox with only one implement-a military hammer.

Help make peace an issue in the upcoming primary by **writing a letter to the editor of one of your local newspapers** urging reporters and their readers to continue to ask the candidates questions about the war and about US military spending. If possible, refer to a specific article that your local paper has run about the election. The Friend's Committee on National Legislation (FCNL) has a tool that will walk you through the process of sending a letter to the editor at <http://action.fcnl.org/r/4609/43984/>.

Want to get the word out on the topic that matters most to you? With a letter to your local paper, you can help bring your message not only to your neighbors, but directly to the offices of your Members of Congress as well, where staffers and our lawmakers themselves follow opinions from home with an especially watchful eye.

The ACLU has a **tool that helps write and send letters to local papers**. Available are a list of media outlets by state, tips on how to write a letter in your own words, plus talking points for the listed topics.

http://action.aclu.org/site/PageServer?pagename=LTE_SOTU_2007&JServSessionIdr001=3bu49o8t91.app20a

Do you have a foreign policy alternative that should be heard in the halls of government? Citizens for Global Solutions provides an easy-to-use tool to find the foreign policy staffer for your Member of Congress. Click here to access the Foreign Policy Staffer Locator: <http://globalsolutions.org/hill/fpstaff>.

If you would like to post an EPS flyer on a departmental bulletin board or similar venue, please contact Thea Harvey at theaharvey@epsusa.org.

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Upcoming Events

March 7, 2008. **Study Group on Economics of Security: Emerging Security Issues.** Dr. Stephen Morse will lead a conversation on emerging and re-emerging infectious disease, emergency monitoring systems and security. 1:30pm in the Wolff Conference Room at 65 5th Ave., New York, NY. Please RSVP by **February 27th** to econsecurity@newschool.edu

March 7 - 9, 2008. **Eastern Economic Association 34th Annual Conference.** EPS will have an exhibit table and host a session on "[The Privatization of War and Conflict](#)." For more information, please visit <http://www.iona.edu/eea>.

March 8, 2008. **International Women's Day Activist Training Workshop** sponsored by Code Pink. 9:00am to 5:00pm at Schermerhorn Hall, Columbia University, New York, NY. For more information and to register, please visit www.codepinknyc.org

- March 26 - 29, 2008. The Annual Convention of the International Studies Association (ISA) will take place in San Francisco. A panel on Feminist Security Studies is planned.
<http://www.isanet.org/sanfran2008/>
 - March 29, 2008. The Social Science Research Center (WZB) will present a conference and special issue of Economics of Governance in Berlin on *Causes and Consequences of Conflict*. See http://www.apsanet.org/content_47298.cfm for more information.
 - June 11 - 13, 2008. The **Twelfth Annual Conference on Economics and Security** will take place in Ankara, Turkey, sponsored by Economists for Peace and Security, Middle East Technical University, Turkish Scientific and Research Council (TÜBİTAK), and the University of the West of England.

 A call for papers is at <http://carecon.org.uk/Conferences/Conf2008/Call2008.pdf>. Deadline for submission of abstracts is March 17, 2008. Further details about the conference are at <http://www.stps.metu.edu.tr/conference08/>.
 - June 30 - July 2, 2008. Jan Tinbergen European Peace Science Conference in Amsterdam at the Tinbergen Institute, Roeterstraat 31, Amsterdam, The Netherlands. Registration fee will be €50. For more information contact NEPSconference@gmail.com.
 - July 25 - 26, 2008. The second **Australasian Conference on Security, Peace Economics and Peace Science** will be held at Sydney, Australia. The meeting will be organized in cooperation with EPS-Australia, Peace Science Security (International), the University of Western Sydney, Macquarie University of Sydney, and Binghamton University. Persons interested in attending the conference are requested to contact Professor Manas Chatterji at (607) 777-2475 or mchatter@binghamton.edu.
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How Can I Help?

- Giveline is a new way to support Economists for Peace and Security when you shop online. Giveline has over a million best-selling products, and every purchase you make generates a significant donation. We invite you to check out the store by clicking this link: <http://www.giveline.com/default.asp?v=V013334298>.
- Become a member of EPS. Your annual membership entitles you to discounts on publications, invitations to events, our informative newsletters, and more. Most importantly, by joining us you help to ensure that reasoned perspectives on essential economic issues will continue to be heard. Membership dues and other donations are fully tax-deductible. Visit <http://www.epsusa.org/membership/membership.htm> for more information.
- If you have enjoyed this issue of EPS NewsNotes, or if you wish to support our mission, please consider donating to EPS. You can do so securely online through our [website](#) or by sending a check to:

Economists for Peace and Security
 at the Levy Economics Institute
 Box 5000
 Annandale on Hudson, NY 12504
 USA

Questions? Call (845) 758-0917, or email info@epsusa.org.



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