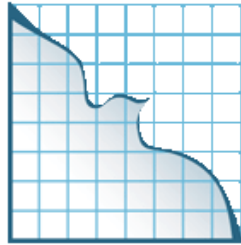


NewsNotes

August 2011



ECONOMISTS for PEACE & SECURITY

Think not forever of yourselves, O Chiefs, nor of your own generation. Think of continuing generations of our families, think of our grandchildren and of those yet unborn, whose faces are coming from beneath the ground.

-TS Eliot

Table of Contents

[EPS News](#)

[Links](#)

[In Other News](#)

[Funding & Employment Opportunities](#)

[EPS Publications](#)

[Action Corner](#)

[Upcoming Events](#)

[How Can I Help?](#)

EPS News

Stop Panicking About Our Long-Term Deficit Problem. We Don't Have One.

by James K. Galbraith, August 9, 2011, *The New Republic*

Standard & Poor's did not downgrade the US political system. It did not downgrade the stock market. It downgraded United States Treasury bonds and bills - and did so *after* Congress had removed whatever tiny chance existed of even a small delay in payments. So it's instructive that, on the next market day, investors moved massively out of stocks, and into the safety of US Treasury bonds and bills. Rarely has stupidity been so quickly and massively shown up.

Some commentators read the downgrade as a rebuke to the Tea Party, but, in fact, S&P was making good on its threat to act if the deficit deal resolving that drama did not reach the arbitrary threshold of \$4 trillion over ten years. It wasn't the Tea Party's Kool-Aid they were drinking, but that of the deficit hysterics.

And yet, S&P's statement (math error and all) was of a piece with mainstream budget projections from CBO and other official sources. These projections all assume steady growth, low inflation, and falling unemployment (in which case, one may ask, what's the problem exactly?). Yet they also predict much higher interest rates. In these projections, it is mainly the vicious magic of compound interest—debt compounded on top of debt in computer models—that generates the explosive debt dynamic which rationalized the downgrade.

Read the full article at

<http://www.tnr.com/article/politics/93365/no-long-term-deficit-problem>.

Crisis in the States and Cities: What Should Be Done?

An EPS Bernard Schwartz Symposium

States and cities face tax increases and sharp cuts in vital public services, with likely harsh effects on economic activity and competitiveness going forward.

This public symposium on April 12, organized by EPS, discussed the budget crises faced by state and local governments including cuts to social services and increasing taxes. Will budget cuts help, as some claim or hurt, as others believe, the economies of affected jurisdictions and the country?

The panelists presented action plans for a federal role, including revenue sharing, and the possible federalization of Medicaid.

Crisis in the States and Cities: What Should Be Done? was hosted by Economists for Peace and Security; Bernard Schwartz; and the New America Foundation.

For transcripts, video, and photos of the event, go to
<http://www.epsusa.org/events/411conf/statecrisisprogram.htm>.

EPS raised \$65 last year with GoodSearch. The more you use GoodSearch, the more money you can raise for EPS, just by searching the internet or shopping online - *at no cost to you*. With every search you do, EPS receives a penny; when everyone uses it, the pennies add up.

To start using GoodSearch, see
<http://www.goodsearch.com/about.aspx>.

EPS now has a group page on LinkedIn. If this is your preferred social network, check in with us at
www.linkedin.com/groups?gid=2009987&trk=anetsrch_name&goback=.gdr_1263369639671_1.

Don't forget EPS is on Facebook. Become a fan and keep up with our latest activities and upcoming events.

Become a fan of EPS at
<http://www.facebook.com/pages/Economists-for-Peace-and-Security/114370951337>.

Links

States Of Conflict: An Update

Michael E. O'Hanlon for *Brookings*

The spring of 2011 brought perhaps the single biggest highlight in the war on terrorism since 9/11: the killing of Osama bin Laden in Pakistan. Generally, however, it was a frustrating season in the combat zones, as shown in data from April 1 to June 30 of 2009, 2010 and 2011.

In Iraq, violence is persistent (if much reduced from five years ago). The coalition government – which took almost a year to form – is locked in a standoff between Prime Minister Nuri Kamal al-Maliki and Ayad Allawi of the main opposition party. They have failed even to agree on leaders for the Defense and Interior Ministries. Violence, stalemate and Iranian instigation have increased sectarian tensions and the potential for renewed warfare. Meanwhile, the remaining American troops are to withdraw by this fall, unless Iraqi leaders say otherwise. Such a complete American departure is bound to be highly fraught.

To read the full report including the data table, visit
http://www.brookings.edu/opinions/2011/0729_iraq_pakistan_afghanistan_ohanlon.aspx?rssid=south+asia&utm_source=feedburner&utm_medium=feed&

[utm_campaign=Feed:+BrookingsRSS/topics/southasia+%28Brookings:+Topics+-+South+Asia%29.](#)

Afghan Civil Society and a Comprehensive Peace Process

Unites States Institute of Peace

The transition from war to peace in Afghanistan requires much more than high-level official negotiations and low-level reintegration efforts. A comprehensive Afghan peace process would also facilitate discussion amongst diverse civil society sectors about their relationship with the Afghan government and on the future relations between diverse groups in Afghanistan. A political settlement without significant progress on these two other dimensions is unlikely to produce a national consensus supporting sustainable peace.

Excluding or limiting civil society input into formal negotiations creates long-term problems. First, it rewards groups who use violence with political influence and positions of power, further entrenching illegitimate and ineffective governance. Second, a peace agreement that excludes public input and interests will lack public ownership of the agreement and the political will required to implement it.

To read the USIP report, go to

http://r20.rs6.net/tn.jsp?llr=cx5atidab&et=1106940055314&s=2244&e=001cYCha4kswCznKB89-fyMDCSDJSDaWLBADsrcJ03Et32JZ8NrJbPM_pXZ97JTGTTr5gx0gDt3adZfVedNw0zFPCJTvt9c861y-jhck2GK88D4-G-OLR_M_6qvTgax9hZLZpEklg9iZr5SkL4LdomZ4g==.

In Other News

Afghanistan is Broke, US Drowning in Debt - So What About a War Ceiling?

By Michele Lin, for *EconomyWatch*

With all the debate in the United States over raising its debt ceiling, politicians and lawmakers are once again fighting over national spending. Democrats are sore that the US \$2.4 trillion in savings will not include any mandated tax increases, while the Republicans are worried about the US \$350 billion cut in the defense budget. Why is the United States perpetually policing the world at the expense of the American people and global markets?

Meanwhile, war torn Afghanistan is facing a deepening financial crisis that requires an estimated US \$820 million in bailout money. Yet, the country is as corrupt as it is bankrupt. Although the war-torn country's largest bank nearly collapsed last September, the government of Hamid Karzai and international stakeholders are still splitting hairs over how to raise funds and confidence over the intended bailout vision, as well as how to deal with its former leaders and rebels who siphoned off millions of dollars, and plenty of illegal gemstones and timber from Afghanistan to the outside world.

After a decade of US-led war in Afghanistan, US officials are still determined to keep its troops stationed there - amid heavy defense budget cuts and declining public support. Why is the US bent on throwing more money (which they do not have) at defense?

To read more, see

<http://www.economywatch.com/economy-business-and-finance-news/afghanistan-is-broke-us-drowning-in-debt%E2%80%93so-what-about-a-war-ceiling.02-08.html>.

Welcome to the Tea Party's Austerity Recession

By Joshua Holland, August 1, 2011, for *Alternet*

Economic historians will look back on this era as a time when policy-makers damaged Americans' welfare with ideologically driven, self-inflicted wounds.

The House finally passed a deal to raise the debt limit after weeks of wrangling with a cadre of reactionary, Tea Party-endorsed lawmakers. The measure, which will force some serious cuts to public spending, is expected to easily pass in the Senate. When it does, a painful second "dip" into recession becomes far more likely - all the conditions are there.

Recently a depressing report on economic growth caught many observers by surprise. The take-away was that gross domestic product (GDP) - the measure of economic activity within our borders - has been growing at a snail's pace in the first half of this year -- far slower than analysts had predicted. [Researchers at the Federal Reserve](#) tell us that since 1947, about half of the times we've had six months of growth as weak as we've seen in 2011, the economy sank into recession in the following year. But many of those slow periods occurred in a different era; today, with Washington obsessed with cutting spending, the chances are certainly greater than 50/50.

To read the full article, visit
<http://www.alternet.org/news/151873>.

Call for papers

The Eurasian Peace Science Network invites proposals for the Eurasian Peace Science Conference, which will take place on January 13 - 14, 2012 at Koç University in Istanbul, Turkey. The Conference's goals are to broaden cooperation among Eurasian and Middle Eastern peace science scholars, encourage interaction with the worldwide peace science community, and bring together research on conflict and peace-related topics from throughout the world.

All aspects of the peace science field are welcome including in particular: (a) empirical studies of political violence and peaceful resolution, (b) quantitative and formal analyses of conflict and peace processes, (c) peace science methodology and theory, (d) alliances, investment, trade, and conflict, (e) economic and political causes of international and domestic violence encompassing war, ethnic conflict, and terrorism, (f) contemporary regional conflicts in Eurasia and Middle East, (g) security and foreign policy, and (h) conflict analysis and management.

All submissions before August 31, 2011 will be considered for the conference. Proposals after that date will only be considered if there are presentation slots available.

For more information or to submit a proposal, visit
<http://conflictstudiescenter.ku.edu.tr/call.html>.

Call for Papers

The upcoming special issue "Political Economy Studies on the Israeli-Palestinian Conflict" to be published on Peace Economics, Peace Science and Public Policy.

The special issue is intended to gather contributions that focus on political economy aspects of the Israeli-Palestinian conflict. The contributions may highlight positive and/or normative aspects of this conflict. Papers may make a theoretical or empirical contribution to a better understanding of this conflict.

Please send papers and inquiries to Esteban Klor (eklor@mscc.huji.ac.il) by September 30, 2011.

Funding & Employment Opportunities

RESEARCH DIRECTOR - World Peace Foundation Program, The Fletcher School, Tufts University

The World Peace Foundation Program (WPF Program) at The Fletcher School is poised to position itself at the cutting edge of new thinking, at once creative and realistic, in the field of peacemaking. The Foundation aims to be internationally recognized for this role. It will achieve this through rigorous and creative intellectual leadership in the field of peace studies, associating the name of the World Peace Foundation Program with the best new thinking. And, through research, seminars, publication, public information/advocacy, and engagement with international policymakers, the WPF Program will promote fresh approaches to understanding conflict and peace.

The Research Director is responsible, in discussion with the Executive Director and other potential lead-research staff/faculty, for project development from conceptualization to final reporting of all research projects hosted by the WPF Program.

To see the full job posting, follow

https://recruiter-kenexa-com.careerliaison.com/tufts/cc/CCJobDetailAction.ss?command=CCViewDetail&job_REQUISITION_NUMBER=59133&ccid=bupJEdUjsTs%3D&_CL_SOURCE=257384&jtsrc=http%3A%2F%2Fwww%2Ehigheredjobs%2Ecom&jtsrcid=942&jtrfr=http%3A%2F%2Fwww%2Ehigheredjobs%2Ecom%2Fstate%2Fdetails%2Ecfm%3FJobCode%3D175535185%26Title%3DRESEARCH%2520DIRECTOR%2520%2D%2520World%2520Peace%2520Foundation%2520Program%252C%2520The%2520Fletcher%2520School.

EPS Publications

Crisis in the States and Cities: What Should Be Done? Symposium Issue

EPS Quarterly, June 2011. This issue contains summaries of the proceedings from the Bernard Schwartz symposium held at the Hyatt Regency Capitol Hill, Washington DC on April 12, 2011. The Symposium was organized by Economists for Peace and Security and co-sponsored by The New America Foundation, Washington DC.

Read this issue of EPS Quarterly at

<http://www.epsusa.org/publications/newsletter/2011/jun2011/jun2011.pdf>.

To watch video of the symposium, visit

<http://www.epsusa.org/events/411conf/statecrisisprogram.htm>.

Economics of Peace and Security Journal Vol. 6, No 2 - *On peace, war, and violence* - is now available online

Contents

·Sterling Huang and David Throsby on economic, political, and social determinants of peace

·Alvaro Riascos and Juan Vargas on violence and growth in Colombia

·Steve Pickering on the (supposed) bellicosity of “mountain people”

·Vincenzo Bove on the demand and supply of peacekeeping

·John Gilbert, Tanigawa Takahiko, Krit Linananda, Edward Tower, and Alongkorn Tuncharoenlarp on the deadweight cost of war

·Zachary Tambudzai on determinants of military expenditure in Zimbabwe

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. Previous contributors include Joseph Stiglitz, James Galbraith, and Lawrence Klein. The Journal’s website also features book reviews submitted by members and subscribers.

EPS members receive a 25% discount on the annual subscription to the Economics of Peace and Security Journal. A regular one-year subscription is \$40; for EPS members, it’s only \$30! Non-subscribers can access the abstracts and contents pages.

For more information about the Journal or to subscribe:

<http://www.epsjournal.org.uk/>.

To become a member of EPS (and to qualify for the subscription discount):

<http://www.epsusa.org/membership/membership.htm>.

The Annual Budget Issue

EPS Quarterly, March 2011.

In this issue EPS takes on conservatives' and Tea Partiers' loud cries for cuts in federal spending. A self-described conservative and two libertarians join their voices in two separate articles, asking for defense cuts along with any other belt-tightening measures. To assist in sorting out the defense budget and its relative merits, we include brief excerpts from the new handbook-guide to the Defense Department, "The Pentagon Labyrinth: 10 Short Essays to Help You Through It," from the Strauss Military Reform Project. This issue also contains several pieces which examine the Obama administration's policies and processes. On the back cover is our Statement on Federal Spending and the Recovery, released February 28.

Read this issue of EPS Quarterly at

<http://www.epsusa.org/publications/newsletter/2011/mar2011/mar2011.html>.

Action Corner

From FCNL: 2C: The Friends Committee on National Legislation Staff Blog

As policymakers and lobbyists alike scramble to try to understand what impact the new debt deal will have on their favorite programs, one thing is becoming clear. Critical funding for tools to help prevent wars are facing drastic cuts that could close down hard won programs forever.

Because the international affairs budget is treated as part of a broad category of "security spending," which also includes the Pentagon budget, it will now have to compete directly with the military industrial complex as Congress decides where to cut from the 2012 budget in the months ahead.

The international affairs budget and specific programs that help prevent war, including the Complex Crises Fund, Civilian Response Corps, and UN funding, were already slashed by the House when it marked up its initial FY12 State and Foreign Operations Appropriations bill on July 27.

Now, the US Global Leadership Campaign, which mobilizes support for the international affairs budget, is predicting an additional 20-30% cut non-military international affairs spending under the debt deal. Humanitarian aid, development assistance, State Department diplomacy, and contributions to international organizations could all face even deeper cuts than the House bill. (Remarkably, the debt deal exempts funding for the Global War on Terror - one of the biggest spending sprees that got the US into this mess - from any cuts.) Small, innovative programs that are helping prevent and mitigate deadly conflicts are now at risk of being cut completely from the FY12 budget. If these programs are lost this year, they may never be funded again.

Find out how you can help prevent these programs from disappearing; visit

http://fcnl.org/blog/2c/devastating_cuts_to_ppdc_funds/.

Get the word out on the topics that matter most to you! The ACLU has a tool that helps write and send letters to local papers. With such a letter, you can help bring your message not only to your neighbors but directly to the offices of your Members of Congress, where staffers and our lawmakers themselves follow opinions from home with an especially watchful eye.

For a list of media outlets by state, with tips on how to write a letter in your own words plus talking points for the listed topics, see

http://action.aclu.org/site/PageServer?pagename=LTE_SOTU_2007&JServSessionIdr001=3bu4_9o8t91.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.

To access the Foreign Policy Staffer Locator, go to

<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.

Upcoming Events

- **September 6 - 7, 2011. Conflict Research Society Annual Conference** will be held at the Richardson Institute for Conflict and Peace Research, Lancaster University, UK. The theme for this year's conference is **Has War Gone Bust? Peace, Conflict and the Global Financial Crisis.**

For more information, visit

<http://www.crs2011.org/index.php>.

- **September 22 - 23, 2011. Responsibility in Economics and Business and The Legacy of E.F.Schumacher Conference.** The conference will be hosted by the Center for Ethics, University of Antwerp in collaboration with the Business Ethics Center, Corvinus University Budapest. The conference is supported by the Fondation Charles Léopold Mayer and Batiself.

For more information, see

<http://www.eurospes.be/page.php?LAN=E&FILE=agendadetail&ID=1026>.

- **November 11 - 13, 2011. ICAPE's 3rd international research conference: Re-thinking economics in a time of economic distress** will be held at the University of Massachusetts-Amherst, Amherst, MA.

The 2007-08 financial crisis and subsequent economic downturn have raised many questions about how well prevailing economic approaches identify and explain pressing economic problems and suggest sound ways to solve them. Exploring what needs to change in economics and identifying productive paths forward are the central themes of The International Confederation of Associations for Pluralism in Economics 3rd international research conference.

Full details about the conference are available at

<http://www.icafe.org/conferences.html>.

- **January 13 - 14, 2012. EURASIAN PEACE SCIENCE CONFERENCE** at Koç University in Istanbul, Turkey. The Conference's goals are to broaden cooperation among Eurasian and Middle Eastern peace science scholars, encourage interaction with the worldwide peace science community, and bring together research on conflict and peace-related topics from throughout the world.

For more information, see

<http://conflictstudiescenter.ku.edu.tr/call.html>.

How Can I Help?

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 continue to be heard. Membership dues and other donations are fully tax-deductible.

To become a member, go to

<http://www.epsusa.org/membership/membership.htm>.

Join us on [Facebook](#) and [LinkedIn](#).

Sign up for [GoodSearch](#). EPS gets a penny every time you use it for an online search, **at no cost to you.**

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Donate at www.chi-cash-advance.com/sforms/appeal1130/Contribute.aspx.