Economics 4999-004
DEFENSE ECONOMICS
Spring Term 2000

Classroom: RAMY N1B75
Class Hours: MWF 9:00-9:50 am

Professor: Dr. Bernard Udis
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Office Hours: MW 10:00-10:50, and by appointment
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The aim of the course is to help you learn how to: take issues which have defense and economic dimensions; analyze them critically in a non-partisan way; evaluate the evidence and arguments; and communicate your conclusions clearly in forms that are appropriate to particular audiences. The course will be interactive and require quite a lot of reading. You will need to keep up to date on current security issues. You should take out a student subscription to the Wall Street Journal or New York Times. You should also be able to use net resources such as the Financial Times and Economist home pages for European issues. Students who have taken introductory economics (micro and macro) should be able to follow the course.

Grades will be based on class participation (10%); a midterm exam (40%); and a term paper of 15-20 pages (50%). The term paper can be on any topic that involves defense and economics in any country of interest to you. However, you should let me have an outline of your proposed topic and the sources that you will use, as soon as possible for approval. The deadline for submittal of the paper is April 24, 2000.

We will spend some time discussing how to write and communicate; the term paper will be evaluated for clarity as well as content. Howard S. Becker, Writing for Social Scientists, Chicago: University of Chicago Press, 1986, examines the problems of writing from the perspective of a sociologist. The advice applies to most subjects and the book is very good on the reasons writing is difficult.

Required Texts:

A. A. Jordan, W. J. Taylor and M. J. Mazarr, American National Security: Policy and Process, Baltimore: Johns Hopkins Press, 1994, 5th edition. You should use this to make sure that you are familiar with the main features of the evolution of US security policy, the process by which decisions are made and the main analytical issues.


Other recommended reading: (All on reserve at Norlin Library)

Todd Sandler and Keith Hartley, The Economics of Defence, Cambridge, England: Cambridge University Press, 1995. This approaches the issues from a strongly economic perspective. In places it is quite mathematical; if you are not familiar with the math, skip the algebra and try to get the general idea. The course itself will not be very mathematical.


You should look at these books and others that relate to your particular areas of interest and design your own reading program to support the course. In reading them you should realize that all these books have been overtaken by events since they were written. They were usually written at least a year before publication date. For instance, the Cold War has ended and there has been another round of massive procurement reform in the US, since McNaugher was written. However, his basic analysis remains valid and the probability is that the same mistakes will be repeated. The books also provide very different analyses, you should contrast the alternative viewpoints and make your own judgements in the light of your reading about current events.

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**Provisional Outline:**


Writing.

1. Threats and Security; Sources of Conflict, threat assessment, the use of military power; non-traditional threats: terrorism.
3. Forces and Capability. Force Mix: Capital-Labor, Military Personnel; Quantity-Quality; Functions, Readiness, Sustainability, Logistics; Technology and R&D; Military capability and military culture.
5. Arms Races and Alliances; Arms Control and Conflict Resolution.

There may be time at the end to cover other topics of particular interest to you.

**DISABILITIES:** The Economics Department will make reasonable accommodations for persons with documented disabilities. Students must notify their instructors no later than Wednesday, January 26, and provide documentation of the disability obtained from the Disabilities Services office located in Willard Hall, Room 322.