Economic Bases of Power: The Study of Political Economy of National Security

- As of March 2011 Congress has approved a total of $1.283 trillion for military operations in Iraq and Afghanistan.¹

- Throughout his reign as Chairman of the Joint Chiefs of Staff, Navy Admiral Mike Mullen repeatedly stated, “the single biggest threat to our national security is our debt.”²

- On March 1, 2013, the United States implemented an 11.5 percent annualized spending cut on Defense operations. The cuts, following a 22.1 percent plunge in the last three months of 2012, represent the biggest back-to-back decline on average since 1954, when the military demobilized after the Korean War.

As these three statements make clear, the past decade has been rife with economic crises, austerity measures, and increased financial globalization. This economic climate has had large ramifications for the ability of states to power. The goal of this course is to provide a theoretical framework to understand the changing economic climate and its relationship to power and national security.

Readings:

Required readings are listed beneath each section heading. There are no books for purchase for this course. All readings can be accessed via the Blackboard website for this course.

Course Requirements and Grades:

1. **Midterm (October 31)** in class exam covering weeks 1-7 (30% of grade for course)

2. **Two Response Papers** see guidelines below (25% of grade for the course)

3. **Final Take Home Essay Exam** see guidelines below (35% of grade for course)

4. **Participation in seminar** Completing the required readings and attending the seminar are necessary but not sufficient to fulfill the requirements for the course. Your active contribution to seminar discussions is also expected (15% of grade for course)

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Response Paper Guidelines: During the course you are two pick two weeks that interest you and write a three page response paper for the week chosen. The response paper may focus on that week’s readings alone or focus on that week’s readings in conjunction with the previous weeks. These papers are due at the beginning of class for the week’s chosen. Just to be clear you need to write two response papers, for two separate weeks for a total of six pages.

Final Exam: You will have 48 hours to complete the final exam. The prompt for the final exam will be emailed out at 9am on Sunday, December 15\textsuperscript{th} and is be due no later than 9am Tuesday December 17\textsuperscript{th} to me via email. If I do not receive an email with the final attached, for every day it is late you grade will be discounted by 10%.
Part I – The Concept of Power and Economic Bases of Power

Week 1 (September 5): Course Introduction

Week 2 (September 12): What is power? Why do states want it, where do states get it, and how do states use it


Week 3 (September 19): The Economic Bases of National Power I – What is economic power? What are the sources of economic power? How does economic power translate into military power?


Week 4 (September 26): The Economic Bases of National Power II: Economic Power and the Limits of Extraction – What are the domestic and international costs to extracting economic power? What limits do statesmen face when attempting to extract economic power?


Week 5 (October 3): Grand Strategy, the Budget, and Cost Analysis – How do states pay for securing the national interest? Who is responsible for the US defense budget? How do specific weapons programs get chosen?

• Mr.Y. "A National Strategic Narrative." Princeton: Woodrow Wilson Center, 2011

**Part II – Power Amongst States in the International System: Economic Change and War**


**Week 7 (October 17): Interdependence and War**

• Keynes. J (1919) *Economic Consequences of Peace*

**Week 8 (October 24): Economic Effects of War: State, Society, and the Economy – How does economic mobilization for war effect society? What are the costs of war?**

Week 9 (October 31): **In Class Midterm**

**Part III – Power via Statecraft**

Week 10 (November 7): Economic Statecraft – How can states use money to influence other states without going to war?

Week 11 (November 14): Financial Statecraft – How do state’s use finance to influence the actions of other states? Should the United States be worried about China’s holdings of U.S. assets? Sanctions and the Iranian Nuclear Program – State’s often resort to sanctions in order to prevent another state from pursing a particular goal, do they work? What are the economic and political costs to implementing sanctions, for both the host and target state?

**Part III – Economic Power Beyond the State**

Week 12 (November 21):
• Read the entire about section of the Paris Club website: http://www.clubdeparis.org/en/

**Week 13 (November 27): Thanksgiving**

**Week 14 (December 5): Ideas and the Big Picture**

• TBA