

UG Course Outline

E3320: Economics of Warfare

2016/17

FULL UNIT

Instructor: Professor Mike Spagat

Office: Horton H316

Phone: +44 (0) 1784 41 4001

E-mail: M.Spagat@rhul.ac.uk

Office hours: Tuesday 10.30-11.30,

Thursday 10.30-11.30

Aims

Introduce students to the main facts about conflict. Apply theoretical and empirical economic tools to the study of conflict. Give students an appreciation of the main questions at the research frontier in the economic analysis of conflict. Draw some policy conclusions on how the international community should deal with conflict. Study data issues that arise when analysing conflict.

Learning Outcomes

Upon completion of this course students should:

- Have substantial knowledge of the facts about conflict.
- Be able to apply theoretical and empirical economic analysis to the study of conflict
- Be conversant with the research frontier in conflict economics
- Have developed well-articulated views on policy toward conflicts
- Understand key data issues that arise in studying conflict

Course Delivery

The course will be delivered through twenty two-hour lectures and eighteen one-hour seminars. I will present the more difficult conceptual issues in lectures.

The seminars will be structured discussions run by a PhD teaching fellow. IT IS CRUCIAL FOR THE SUCCESS OF THE COURSE THAT STUDENTS PREPARE FOR EACH SEMINAR BEFORE THE ACTUAL SEMINAR. Seminar preparation will normally be a short reading or video clip plus a worksheet. The questions on the exams (midterms and finals) will resemble the worksheet questions.

I will be available for consultation (either by you individually, or in small groups) during office hours. Office hours are Tuesday, 10:30 - 11:30, Thursday 10:30 - 11:30. If you cannot make the office hours feel free to just knock on my door at any time. I will also be very available by email at all times (m.spagat@rhul.ac.uk). There will be a course blog on which I will post emailed questions and my answers (after removing the identity of the emailing student). The blog has been a big success over the last two years so you definitely will want to make use of it. I'm always happy to meet students

in person but there are definite advantages to having a written record of your questions and my answers.

Assessment

- There will be two sit-down exams, each worth 10% of the final mark. These will be given on **November 11 and March 3**.
- There will be two short essays, each worth 10%, of the final mark. These will be due on **January 20 and March 23**. There will be a maximum of 1,200 words on each essay.
- There will be 3-hour unseen examination worth 60% of the final mark. This will be taken during the summer term. The exam will consist of three mandatory multi-part questions.

Reading

I give links to all of the articles in the reading list below. I have tested all the links on my office computer and they all worked for me as of mid-August. It is possible, however, that some of these links require you to be working through RHUL subscriptions to get through. So you may need to go through the library system to obtain a few of the readings. Please let me know if you have problems with a particular reading. I will also post a few things on the Moodle web site to smooth access.

Weekly Timetable

AUTUMN TERM

Week 1. Induction Week, no class

Week 2. Overview of the course, Iraq Body Count (IBC), the concept of “central tendency”

Reading

Hicks et al. (2009), “[The Weapons That Kill Civilians — Deaths of Children and Noncombatants in Iraq, 2003–2008](#),” *The New England Journal of Medicine*, Volume 360:1585-1588.

Hicks et al. (2011) “[Violent Deaths of Iraqi Civilians, 2003–2008: Analysis by Perpetrator, Weapon, Time, and Location](#),” *PLoS Medicine*, 8(2).

Hicks et al. (2011), “[Casualties in Civilians and Coalition Soldiers from Suicide Bombings in Iraq, 2003–10: a descriptive study](#),” *the Lancet*, 378(9794). (You need to register for free at the *Lancet* before you can download the paper.)

Iraq Body Count (2010), “[Iraq War Logs: What the Numbers Reveal](#).”

Optional Background

VOX (2014), [Iraq Explained -- ISIS, Syria and War](#)

VOX (2014), [A Brief History of ISIS and the conflict in Iraq](#)

Week 3. The costs counter-terrorism, war finance, value of a statistical life, dispersion, estimating an average from a sample, statistical bias, confidence intervals, Ricardian equivalence

Reading

Mueller, John and Mark G. Stewart (2014), "[Evaluating Counterterrorism Spending](#)," *Journal of Economic Perspectives*, Summer, 28: 237-248.

Frey, Bruno S. (2008), "[Terrorism from the Rational Choice Point of View](#)," In: Andreas Diekmann, Klaus Eichner, Peter Schmidt & Thoma Voss (eds.) *Rational Choice : Theoretische Analysen und empirische Resultate*. Wiesbaden: 211-222.

Flores-Macías, Gustavo A. and Sarah E. Kreps (2015), "[Borrowing Support for War: The Effect of War Finance on Public Attitudes toward Conflict](#)," *Journal of Conflict Resolution*, 1-30.

Seminar – Insurgent compensation, compensating differentials, counting deaths versus documenting deaths, interpreting the table in "The Weapons that Kill...", central tendencies.

Bahney, Benjamin W., Radha K. Iyengar, Patrick B. Johnston, Danielle F. Jung, Jacob N. Shapiro and Howard J Shatz (2013), "[Insurgent Compensation: Evidence from Iraq](#)", *American Economic Review: Papers & Proceedings*, May.

Dardagan, Hamit (2014), "[Towards an Active Memorial of War: Hamit Dardagan at TEDxEastEnd](#)"

Worksheet

Week 4. Counting, documenting and estimating war deaths, excess deaths, sample surveys, non-sampling errors

Reading

Spagat, Michael (2014), "[A Triumph of Remembering: Kosovo Memory Book](#)," database evaluation for the Humanitarian Law Center.

Optional Background – Ministry of Report (2016) [Kosovo War – Explained](#)

Seminar – Costs of counter terrorism, summary statistics, calculating means and confidence intervals from random samples,

Mueller, John (2015), [Are we spending too much fighting terrorism?](#)

Mathews, Dylan (2016), [The TSA is a waste of money that doesn't save lives and may actually cost them](#), Vox

Worksheet

Week 5. To rebel or not to rebel, linear regression, statistical significance, causation, opportunity cost

Reading

Berman, Eli, Michael Callen, Joseph Felter and Jacob N. Shapiro (2011), "[Do Working Men Rebel? Insurgency and Unemployment in Afghanistan, Iraq, and the Philippines](#)," *Journal of Conflict Resolution*, 55(4): 496-528.

Berman, Eli, Joseph Felter, Jacob N. Shapiro and Erin Troland (2013), "[Modest, Secure, and Informed: Successful Development in Conflict Zones](#)," *American Economic Review: Papers & Proceedings*, 103(3): 512-517.

Seminar – Bias, estimating violent and excess deaths, confidence intervals

BBC "[Counting the Dead in Iraq](#)", *More or Less*

Worksheet

Week 6. The Rwandan genocide and the Palestinian-Israeli conflict; A cycle of violence?, logistic regression

Reading

Verwimp, Philip, (2006) "[Machetes and Firearms: The Organization of Massacres in Rwanda](#)," *Journal of Peace Research*, Vol. 43, No. 1, 5-22.

Jaeger, David and Daniel Paserman (2008), "[The Cycle of Violence: An Empirical Analysis of Fatalities in the Palestinian-Israeli Conflict](#)," *American Economic Review*, Vol. 98, No. 4, September 2008.

Haushofer, Johannes, Biletzki, Anat and Nancy Kanwisher (2010), "[Both Sides Retaliate in the Israeli-Palestinian Conflict](#)," *PNAS*, vol. 107, no. 32, 17927-17932.

Optional Background – Beauchamp, Zack "[Rwanda's Genocide — what Happened, why it Happened, and how it Still Matters](#)," VOX.

Optional Background – "[Everything you need to Know about Israel-Palestine](#)," VOX.

Seminar – Getting ready for writing your essays

Read and discuss student essays from last year

Week 7. Reading Week, no class

Week 8. Civilian targeting index, PRIO and Uppsala data, decline of war, more on linear and logistic regression

Reading

Hicks, Madelyn, Uih Ran Lee, Ralph Sundberg and Michael Spagat (2011), "[Global Comparison of Warring Groups in 2002–2007: Fatalities from Targeting Civilians vs. Fighting Battles](#)," *PLoS ONE*, 6(9).

Human Security Report 2013, "[Overview](#)".

Obermeyer, Ziad, Christopher J L Murray and Emmanuela Gakidou (2008), "[Fifty Years of Violent War Deaths from Vietnam to Bosnia: Analysis of Data from the World Health Survey Programme](#)," *British Medical Journal*, 336:1482-1486.

Spagat, Michael, Andrew Mack, Tara Cooper and Joakim Kreutz (2009), "[Estimating War Deaths: An Arena of Contestation](#)," *Journal of Conflict Resolution*.

Seminar – To rebel or not to rebel, Rwanda, Israel-Palestine, linear and logistic regression

Kanwisher, Nancy and Anat Biletzke (2010) "[A Cycle of Retribution](#)," *Boston Globe*, October 14.

Worksheet

AUTUMN Exam – FRIDAY NOVEMBER 11, 16:30 start. It covers lectures 1-5 and seminars for weeks 3 – 8.

Week 9. The Dirty War Index (DWI), the costs and benefits of peace in Northern Ireland, rare events, confidence intervals through simulation

Reading

Hicks, Madelyn and Michael Spagat (2009), "[The Dirty War Index: A Public Health and Human Rights Tool for Examining and Monitoring Armed Conflict Outcomes](#)," *PLoS Medicine*, 5(12).

Besley, Timothy and Hannes Mueller (2012), "[Estimating the Peace Dividend: The Impact of Violence on House Prices in Northern Ireland](#)," *American Economic Review*, 102(2), 810-833.

Optional Background – "[Colombia FARC: Celebrations after Ceasefire ends Five Decades of War](#)," *BBC*.

Optional Background – "[The Troubles: 1968-1998](#)," *BBC*.

Seminar- First midterm

Feedback on the midterm using the answer key

Week 10. Health costs of conflict, excess deaths, differences-in-differences,

Reading

Human Security Report 2009, "[The Shrinking Costs of War, chapter 7, The Death Toll in the Democratic Republic of the Congo](#)." (Only chapters 7 and 8 are assigned here. The link includes other chapters.)

Minoiu, Camelia and Olga Shemyakina (2012), "[Child Health and Conflict in Côte d'Ivoire](#)," *American Economic Review: Papers & Proceedings*, 102(3): 294-299.

Akresh, Richard, Sonia Bhalotra, Marinella Leone and Una Okonkwo Osili (2012), "[War and Stature: Growing Up during the Nigerian Civil War](#)," *American Economic Review: Papers & Proceedings*, 102(3): 273-277.

Optional Background – "[Ivory Coast Profile](#)," *BBC*.

Optional Background – "[Biafra: Thirty Years On](#)," *BBC*.

Optional Background – "[Q & A: DR Congo Conflict](#)," *BBC*.

Seminar – Decline of war, CTI, DWI, missing data, peace dividend in Northern Ireland

Vox (2014), "[Three Big Reasons War is Going Away](#)."

Worksheet

Week 11. Economic development, asset markets

Readings

Frey, Bruno S. and Daniel Waldenström (2007), "[Using Financial Markets to Analyze History: The Case of the Second World War](#)," *Historical Social Research*, 32(4), 330-350.

Guidolin, Massimo and Eliana La Ferrara (2007), "[Diamonds are Forever, Wars are not: Is Conflict Bad for Private Firms?](#)" *American Economic Review*, 97 (5).

Abadie, Alberto and Javier Gardeazabal (2003), "[The Economic Costs of Conflict: A Case Study of the Basque Country](#)," *American Economic Review*, 97 (5): 113-132.

Voigtländer and Hans-Joachim Voth (2013), "[Gifts of Mars: Warfare and Europe's Early Rise to Riches](#)," *Journal of Economic Perspectives*, 27(4), 165-186.

Optional Background – "[Angola Profile](#)," BBC.

Optional Background – Oosterhuis, Gert (2012), "[The Basque Conflict.avi](#)"

Seminar – Rare events, confidence interval simulations, excess deaths, differences in difference

McKee, Doug (2015), "[An Intuitive Introduction to Differences in Differences](#)."

Worksheet

Week 12. Coups and Assassinations, probit

Reading

Dube, Arindrajit, Ethan Kaplan and Suresh Naidu (2011), "[Coups, Corporations and Classified Information](#)," *Quarterly Journal of Economics*, 1-35.

Jones, Benjamin G. and Benjamin A. Olken (2009), "[Hit of Miss? The Effect of Assassinations on Institutions and War](#)," *American Economic Journal: Macroeconomics*, 1(2): 55-87.

Seminar – Financial markets, event studies, war and economics history, more essay preparation

Final tune up for essays.

Halloran, Neil (2015), "[The Fallen of World War II](#)"

Worksheet

SPRING TERM

Week 1. Causes of conflict (correlations), sensitivity analysis, p hacking, psychology of conflict

Reading

Collier, Paul and Anke Hoeffler (2004), "[Greed and Grievance in Civil War](#)," *Oxford Economic Papers* 56 (4): 563-595.

Fearon, James and David Laitin (2003), "[Ethnicity, Insurgency and Civil War](#)," *American Political Science Review* 97(1): 75-90.

Hegre, Havard and Nicholas Sambanis (2006), "[Sensitivity Analysis of the Empirical Literature on Civil War Onset](#)," *Journal of Conflict Resolution*, Vol. 50 (4): 508-535.

No seminar for week 1.

Week 2. Prediction, economic shocks and conflict, instrumental variables

Reading

Ward, Michael D., Brian D. Greenhill and Kristin Bakke (2010), "[The Perils of Policy by p-value: Predicting Civil Conflicts](#)," *Journal of Peace Research*, 47(4), 1-13.

Miguel, Edward, Shanker Satyanath and Ernest Sergenti (2004), "[Economic Shocks and Civil Conflict: An Instrumental Variables Approach](#)," *Journal of Political Economy*, 112 (4): 725-753.

Cicccone, Antonio (2011), "[Economic Shocks and Civil Conflict: A Comment](#)," *American Economic Journal: Applied Economics*, 3: 215-227.

Seminar - Coups, assassinations, spurious correlations, cross country regressions

Have a look at the [Spurious Correlations web site](#)

Smeets, Ionica, (2012), "[The Danger of Mixing up Causality and Correlation](#)," *TEDxDelft*

Fisman, Ray (2008), "[The Made of Killing](#)," *Slate*.

Worksheet

AUTUMN ESSAY DUE WEDNESDAY, JANUARY 20. (Use turnitin only)

Week 3. Commodity price shocks

Reading

Vargas, Juan and Oeindrila Dube (2013), "[Commodity Price Shocks and Civil Conflict: Evidence from Colombia](#)," *Review of Economics Studies*, 80(4): 1384-1421.

Bazzi, Samuel and Christopher Blattman (2014), "[Economic Shocks and Conflict: Evidence from Commodity Prices](#)," *American Economic Journal: Macroeconomics*, 6(4): 1-38.

Seminar – Ciconne versus Miguel, predictions, psychology of conflict

[Superforecasting: How to Predict the Future – Philip Tetlock – Animated Book Review.](#)

Duck Soup (1933), "[This Means War!](#)"

Worksheet

Week 4. Economic aid and conflict, rape and conflict

Reading

Nunn, Nathan and Nancy Qian (2014), "[US Food Aid and Civil Conflict](#)," *American Economic Review*, 104(6): 1630-1666.

Crost, Benjamin, Joseph Felter and Patrick Johnston (2014), "[Aid under Fire: Development Projects and Civil Conflict](#)," *American Economic Review*, 104(6): 1833-1856.

Cohen, Dara Kay (2013), "[Explaining Rape during Civil War: Cross-National Evidence \(1980-2009\)](#)," *American Political Science Review*, 107(3), 461-477.

Seminar – Commodity price shocks, differences-in-differences, psychology of conflict

Lincoln, Abraham (1863), "[The Gettysburg Address](#)".

Worksheet

Week 5. Conflict and climate change 1

Reading

Burke, MB, Miguel, E, Satyanath, ME, Dykema, JA and DB Lobell (2009) "[Warming Increases the Risk of Civil War in Africa](#)," *PNAS*, 106:20670-20674.

O'Loughlin, John et al. (2012), "[Climate Variability and Conflict Risk in East Africa, 1990–2009](#)," *PNAS*, vol. 109 no. 45.

Van Weezel, Stijn (2015), "[Climate Conflict in Sub-Saharan Africa: Examining Predictive Power](#)," available at SSRN.

Seminar – Aid and conflict, rape and conflict

Chishti, Malihi (2016), "[Foreign Aid: Are we really helping others or just ourselves?](#), *TEDxUTSC*.

Worksheet

Week 6. Reading Week, no class

Week 7. Conflict and climate change 2, panel data

Reading

Couttainer, Mathieu and Raphaël Soubeyran, (2011), "[Drought and Civil War in Sub-Saharan Africa](#)," *Economic Journal*, 124: 201-244.

Hsiang, Solomon, Kyle Meng and Mark Cane (2011), "[Civil Conflicts are Associated with the Global Climate](#)," *Nature* 476, August 25.

Seminar – Essay preparation, climate and conflict

[Climate Change and the Syrian Civil War \(ECC Factbook Conflict Analysis\)](#)

Worksheet

Week 8. Conflict and climate change 3, Syrian war

Reading

Hsiang, Solomon M., Marshall Burke and Edward Miguel (2013), "[Quantifying the Influence of Climate on Human Conflict](#)," *Science*, September 13.

Buhaug, H. et al. (2014), "[One Effect to Rule them all? A Comment on Climate and Conflict](#)," *Climatic Change*, 127: 391-397.

Guha-Sapir, Debarati, et al. (2015), "[Civilian Deaths from Weapons used in the Syrian Conflict](#)," *British Medical Journal*, 351:

Seminar – Conflict and climate, revision for exam

[Can Climate Change Cause War?](#)

Worksheet

SPRING Exam, FRIDAY MARCH 3, start time 4:30. It covers lectures 11 – 16 and seminars for week 2 (but not the questions on coups and assassinations) through week 7.

Week 9. Costs of terrorism

Reading

Frey, Bruno S., Simon Luechinger and Alois Stutzer (2007), "[Calculating Tragedy: Assessing the Costs of Terrorism](#)," *Journal of Economic Surveys*, 21: 1-23.

Frey, Bruno S., Simon Luechinger and Alois Stutzer (2009), "[The Life Satisfaction Approach to Valuing Public Goods: The Case of Terrorism](#)," *Public Choice*, 138: 317-345.

Llussá, Fernanda and José Tavares (2011), "[Which Terror at which Cost? On the Economic Consequences of Terrorist Attacks](#)," *Economics Letters*, 110: 52-55.

Moody's Investors Service (2015), "[Terrorism has a Long-lasting Negative Impact on Economic Activity and Government Borrowing Costs.](#)"

Seminar- Second exam

Feedback on the exam using the answer key

Week 10. Causes of terrorism, media and terrorism

Reading

Gassebner, Martin and Simon Luechinger (2011), "[Lock, Stock, and Barrel: A Comprehensive Assessment of the Determinants of Terror](#)," *Public Choice*, 149(3-4): 235-261.

Jetter, Michael (2014), "[Terrorism and the Media](#)," IZA DP No. 8497.

Seminar – Profiling terrorists, costs of terrorism, panel data

[Tourism in Europe Bears the Brunt of Terroism](#)

Worksheet

Week 11. Terrorism and poverty

Reading

Enders, Walter. and Gary A. Hoover (2012), "[The Nonlinear Relationship between Terrorism and Poverty](#)," *The American Economic Review: Papers & Proceedings*, 102(3): 267-272.

Bueno de Mesquita, Ethan (2011), "[Does Poverty Lead to Violence? \(The other view\)](#)," guest post on the blog of Chris Blattman.

Benmelech, Efraim, Claude Berrebi and Esteban Klor (2012), "[Economic Conditions and the Quality of Suicide Terrorism](#)," *Journal of Politics*, 74(1): 113-128.

Seminar - Economics of terrorism

[San Diego Professor Discusses Radicalization](#)

Worksheet

THURSDAY, March 23, SPRING ESSAY DUE (Use Turnitin only)