

Defense Contracting: Political Economy and Foreign Policy
IBUS 6290, Section 80, CRN 32792
Summer 2015 (May 15-June 27, 2015)

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Meeting time: MW, 6:10-9:05 pm
Office hours: TBD
or by appointment

This course examines business-government relations and the defense acquisition process in the context of the broader political economy of defense. It emphasizes organizational interests and the full array of pressures on government contracting in defense, including interest groups, bureaucratic politics, presidential leadership, Constitutional structure, and even a hint of international strategy. The course will primarily focus on the United States, but students will also learn from comparisons to European and Asian countries as they discuss how countries convert latent power (wealth) into realized power (especially military forces); the challenges that limit efficient management of defense effort; the importance of developing new technologies and the role of government and especially militaries in promoting innovation; and the effects of peacetime defense investment on the strength of the national economy.

Format

I teach primarily through lectures and class discussions. My lecture style tends to be "Socratic," meaning that I ask the class questions and try to get students to articulate key concepts. Students should be fully prepared to participate in every class, which includes having done the readings ahead of time. I expect constructive debate among students. Students should learn all of the material from readings, lectures, and discussions.

I am glad to meet students one-on-one. Please set up appointments by e-mail. I will also freely answer e-mailed questions – until the week of the final exam. If you have questions or would like to consult me about something, please ask!

Grading

Grading will be based on class participation (40%, including both in-class participation and discussion board participation) and a final exam (60%). I encourage students to discuss readings in study groups; however, each student must submit only his/her own work for me to grade, and that includes your posts to the discussion board. Submitting joint work is cheating. I will enforce the academic integrity rules to the fullest.

The participation grade will depend on both quantity and quality of participation. An ideal comment ("high quality") is constructive, concise, correct, and significantly influences follow-on discussion. There is no specific penalty for missing class beyond the failure to earn class participation points and your diminished opportunity to learn the material; I expect each student to be able to manage his/her own schedule. If you do miss

class, you are still expected to learn the material: get notes from a classmate, discuss the material with colleagues until you understand it as well as they do, post (informed) questions to the discussion board, come to office hours or otherwise contact the professor, or use whatever other means you prefer.

Each student is required to post at least one message to the discussion board at the course's Blackboard site in each of the six weeks of the course (so each of you will have a minimum of six posts, and they cannot all be clustered in the last week of class). The idea of the discussion board is to promote serious discussions of the readings – comments, questions, critiques, etc. – or of current events tied to defense policy, especially acquisition issues. You are free to post on any topic at any time, as long as your post is constructive. I will monitor postings and assign a grade based on quantity and quality of participation. Piling on low quality posts will not improve your grade. Ideal posts should specifically integrate the material from class readings, lectures, or discussions, and you should comment or make an argument in your posts rather than simply post a link for your colleagues to decipher. Explain why you posted the link, why it is important for other people in the class to read your post. Posts do not have to specifically relate to the current week's class topic, just to the topic of the overall course. You can also use posts to simply ask questions of your classmates about the readings or to follow up on class discussions; answering your classmates' questions earns extra points. You will also earn extra points if you start an important thread of discussion. I will provide feedback on some postings (privately via e-mail or to the whole class during class time), but I expect posts to be frequent enough that an e-mailed comment on every posting would be excessive.

The open-book, open-note, take-home exam will test your understanding of the course readings, lectures, and discussions. The academic integrity policy of course applies to the final exam. The exam will take place on TBD. The substance of the exam will cover the entire semester's material. You will not pass the course if you fail to hand in the final exam.

Reading Assignments

Many of the course readings are available on the Blackboard site. I suggest that you purchase the following books for this course. They should be available at the Campus Bookstore and also from Internet booksellers.

Harvey M. Sapolsky, Eugene Gholz, and Caitlin Talmadge, *U.S. Defense Politics: The Origin of Security Policies*, 2nd edition, New York: Routledge, 2014.

James Q. Wilson, *Bureaucracy: What Government Agencies Do and Why They Do It*, New York: Basic Books, 1989.

Please be sure to get the second edition of the Sapolsky, Gholz, and Talmadge book. Note the glossary at the end of the book, which may help you with unfamiliar terms. If you come across other terms or historical references in the book that are not familiar to you, please at least google them so that the key points make sense. We can and will discuss them further in class, but you should prepare the basics before coming to the sessions.

Class 1 (): Big Questions of Policy and Organization

Sapolsky, Gholz, and Talmadge, chapters 1 and 3.

James Q. Wilson, *Bureaucracy: What Government Agencies Do and Why They Do It*, New York: Basic Books, 1989, pp. 31-71.

Class 2 (): How Constitutional Structure Affects the Bureaucracy

James Q. Wilson, *Bureaucracy: What Government Agencies Do and Why They Do It*, New York: Basic Books, 1989, pp. ix-xii, 23-28, 295-312.

Terry M. Moe and Michael Caldwell, "The Institutional Foundations of Democratic Government: A Comparison of Presidential and Parliamentary Systems," *Journal of Institutional and Theoretical Economics*, Vol. 150, No. 3 (1994), pp. 171-95.

Mark Zachary Taylor, "Federalism and Technological Change in Blood Products," *Journal of Health Politics, Policy, and Law*, Vol. 34, No. 6 (December 2009), pp. 863-98.

Class 3 (): Management and the Limits of Expertise

Sapolsky, Gholz, and Talmadge, chapter 4.

James Q. Wilson, *Bureaucracy: What Government Agencies Do and Why They Do It*, New York: Basic Books, 1989, pp. 315-32.

Francis Fukuyama, *America at the Crossroads: Democracy, Power, and the Neoconservative Legacy*, New Haven: Yale University Press, 2006, pp. 114-54.

Class 4 (): Special Interests

Richard L. Hall and Alan V. Deardorff, "Lobbying as Legislative Subsidy," *American Political Science Review*, Vol. 100, No. 1 (February 2006), pp. 69-81.

James Q. Wilson, *Bureaucracy: What Government Agencies Do and Why They Do It*, New York: Basic Books, 1989, pp. 72-89.

Sapolsky, Gholz, and Talmadge, chapter 9.

Class 5 (): Political Economy of Government Agencies

Sapolsky, Gholz, and Talmadge, chapters 7.

James Q. Wilson, *Bureaucracy: What Government Agencies Do and Why They Do It*, New York: Basic Books, 1989, pp. 179-85, 188-95.

Frank L. Smith III, "A Casualty of Kinetic Warfare: Military Research, Development, and Acquisition for Biodefense," *Security Studies*, Vol. 20, No. 4 (Oct-Dec, 2011), pp. 663-96.

Class 6 (): Economic Effects of Defense Spending

- J. Paul Dunne, Ron P. Smith, and Dirk Willenbockel, "Models of Military Expenditure and Growth: A Critical Review," *Defence and Peace Economics*, Vol. 16, No. 6 (December 2005), read only pp. 449-451 (pp. 451-461 optional).
- Benjamin Zycher, "Economic Effects of Reductions in Defense Outlays," CATO Institute *Policy Analysis*, No. 706 (August 8, 2012).
- Richard J. Samuels, "*Rich Nation, Strong Army: National Security and the Technological Transformation of Japan*," Ithaca: Cornell University Press, 1994, pp. 1-32, 319-30.
- Eugene Gholz, "Eisenhower versus the Spin-Off Story: Did the Rise of the Military-Industrial Complex Hurt or Help America's Commercial Aircraft Industry?" *Enterprise and Society*, Vol. 12, No. 1 (March 2011), pp. 46-95.

Class 7 (): Why Choose to Buy Particular Weapons?

- Eugene Gholz, "The Curtiss-Wright Corporation and Cold War-Era Defense Procurement: A Challenge to Military-Industrial Complex Theory," *Journal of Cold War Studies*, Vol. 2, No. 1 (Winter 2000), pp. 35-75.
- Eugene Gholz and Harvey M. Sapolsky, "Restructuring the U.S. Defense Industry," *International Security*, Vol. 24, No. 3 (Winter 1999-2000), pp. 5-51.
- Yoram Evron, "China's Military Procurement Approach in the Early 21st Century and Its Operational Implications," *Journal of Strategic Studies*, Vol. 35, No. 1 (February, 2012), pp. 63-93.

Class 8 (): The Weapons Acquisition Process

- Sapolsky, Gholz, and Talmadge, chapter 8.
- Moshe Schwartz, "Defense Acquisitions: How the DoD Acquires Weapons Systems and Recent Efforts to Reform the Process," *CRS Report for Congress*, RL 34026, January 2, 2013.
- Daniel Wirls, *Buildup: The Politics of Defense in the Reagan Era*, Ithaca, NY: Cornell University Press, 1992, pp. 169-97.

Class 9 (): Privatization

- Deborah Avant and Lee Siegelmen, "Private Security and Democracy: Lessons from the US in Iraq," *Security Studies*, Vol. 19 (2010), pp. 230-65.
- Scott Fitzsimmons, "Wheeled Warriors: Explaining Variations in the Use of Violence by Private Security Companies in Iraq," *Security Studies*, Vol. 22, No. 4 (October-December 2013), pp. 707-39.
- Evgeny Morozov, "The Real Privacy Problem," *Technology Review*, October, 2013.
- Tom Simonite, "The Decline of Wikipedia," *Technology Review*, October, 2013.

Class 10 (): International Arms Collaboration

- Andrew Moravcik, "Arms and Autarky in Modern European History," *Daedalus*, Vol. 120, No. 4 (Fall 1991), pp. 23-45.

Marc R. DeVore, "The Arms Collaboration Dilemma: Between Principal-Agent Dynamics and Collective Action Problems," *Security Studies*, Vol. 20, No. 4 (Oct-Dec 2011), pp. 624-62.

Jonathan D. Caverley, "United States Hegemony and the New Economics of Defense," *Security Studies*, Vol. 16, No. 4 (Oct-Dec 2007), pp. 598-614.

Class 11 (): Military Innovation

Adam Grissom, "The Future of Military Innovation Studies," *Journal of Strategic Studies*, Vol. 29, No. 5 (October 2006), pp. 905-34.

Harvey M. Sapolsky, "On the Theory of Military Innovation," *Breakthroughs*, Vol. 9, No. 1 (2000), pp. 35-39.

Peter Dombrowski and Eugene Gholz, "Identifying Disruptive Innovation: Innovation Theory and the Defense Industry," *Innovations*, Vol. 4, No. 2 (Spring 2009), pp. 101-17.

Colin Jackson, "From Conservatism to Revolutionary Intoxication: The U.S. Army and the Second Interwar Period," in Harvey M. Sapolsky, Benjamin H. Friedman, and Brendan Rittenhouse Green, eds., *U.S. Military Innovation since the Cold War: Creation Without Destruction*, London: Routledge, 2009, pp. 43-70.

Class 12 (): Crisis and Government Reorganization

Sapolsky, Gholz, and Talmadge, chapters 11 and 12.

Richard J. Samuels, *3.11: Disaster and Change in Japan* (Ithaca: Cornell University Press, 2013), pp. ix-xiii, skim 1-23, 24-45, 110-50.