DEFENSE AND SECURITY ECONOMICS

Teacher: Jean-Michel OUDOT
Academic year 2017/2018: Paris School of International Affairs – Fall Semester

BIOGRAPHICAL INFORMATION

Jean-Michel Oudot holds a PhD in Economics (2007), with a specialization in defense procurement. Winner of the defense economics award from the French defense Minister (2008), he has been working for four years in the French defense procurement agency (DGA, as an economic analyst) and nine years in the financial directorate of the French department of defense as chief economist. Since May 2017, J-M. Oudot acts as the economic expert of the Joint Chief of Staff in the department of defense. During his career, he had the opportunity to expertise many operations and domains in an effective and operational manner.

Along with his professional activities, Mr. Oudot has been teaching for 8 years at Paris I and II Universities, and 9 years at Sciences Po. In 2013, he has been appointed to the scientific council of the High Council for Strategic Education and Research (CSFRS). J-M. Oudot is also a member of the Chair specialized in the economics of public private partnerships (IAE Paris I).

He has been writing many articles and books dedicated to defense economics, as detailed in his personal webpage: http://chaire-eppp.org/jean-michel-oudot/

COURSE OUTLINE

Session 1: Military expenditures, impacts on growth and development

Required readings:

Potential readings:
Session 2: The role of R&D Defense and security public organization

Required readings (select a few sections):

- The Quadriennal Defense Review (USA)
- The Strategic Defence and Security Review (UK)

Potential readings:

- Livre Blanc sur la Défense et la Sécurité Nationale (FRA)

Session 3: Characteristics of the defense industry and changes in the industrial organization

Required readings:


Potential readings:


Session 4: Regulation of the defense industry

Required readings:


Potential readings:

• Léveque F. (1998), Économie de la réglementation, Repères, La découverte, Paris

Session 5: Theoretical frameworks in contracting and performance assessment

Required readings:


Potential readings:

Session 6: Risks and contractual choices in defense procurement

Required readings:


Potential readings:

Scherer F.M. (1964), The Weapons acquisition Process: Economic Incentives, Harvard University Graduate School of Business Administration, Boston

Session 7: Nuclear deterrence and raw materials

Required readings:

Potential readings:
- Allan P. & Schmidt C. (1994) Game theory and international relations: preferences, information and empirical evidence, Edward Elgar

Session 8: Outsourcing policies and practices

Required readings:

Potential readings:
Session 9: the Private Finance Initiative and Private Military Contractors

**Required readings:**

- National Audit Office (NAO) and Government Accountability Office (GAO) reports : (key words: PFI, private support to operations, PMC, operational contract support)

**Potential readings:**

- Renou X. (2005), La privatisation de la violence. Mercenaires et sociétés militaires privées au service du marché, Agone, Paris
- Scahill J. (2007), Blackwater: The rise of the world’s most powerful mercenary army

Session 10: Defense international trade

**Required readings:**


**Potential readings:**

Session 11: International public goods and alliances; the European construction

Required readings:

Potential readings:
Session 12: Economics of conflicts

Required readings:

- Braddon Derek L. & Hartley Keith (2010), Handbook on the Economics of Conflict, Elgar Original reference

Potential readings: