



Course ECON 3369_HN1 The Political Economy of Terrorism
Professor Todd Sandler
Term Fall 2016
Meetings M, W 10:00-11:15 a.m., GC 1.208B

Professor's Contact Information

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Office Location GR 2.828 (Come through Administrative Assistant's office)
Email Address tsandler@utdallas.edu
Office Hours M 11:30 a.m.-12:30 p.m., W 8:50-9:50 a.m., and by appointment
I post assignments/notes/practice questions and announcements on eLearning. Grad Student is Dongfang Hou (dxh140130@utdallas), GR 2.816. She will have office hours on 12:00pm to 2pm in **GR 3.416**. You can also make appointments with her to get questions on the homework answered.

Other Information

General Course Information

Pre-requisites, Co-requisites, & other restrictions Basic algebra skills, knowledge of Microeconomic Principles including indifference curve analysis; I will go over indifference curves in class as a short review. With a little effort and focus, you will be able to pick up this background material up if you don't have it so don't worry. I will emphasize the important things in class.

Course Description

This course examines the nexus of the terrorist threat and the government response. In particular, it examines the effectiveness of transnational and domestic terrorism as a means for achieving a political goal through intimidation based on violence or the threat of violence. Terrorists resort to means outside of the normal political channel by typically targeting individuals, not directly involved with the political decision making process that terrorists seek to influence. The course is also concerned with the challenges that modern-day terrorism poses for the liberal state. Thus, the key policy issues confronting liberal democracies, whose legitimacy depends on protecting lives, property, and rights, are addressed as they respond to terrorism. A section of the course is concerned with an evaluation of government responses (e.g., metal detectors in airports, retaliatory raids, group infiltration, intelligence, embassy fortification, UN conventions and resolutions) to the terrorist threat. The course is interested in the historical, political, and institutional aspects of terrorism. In addition, it addresses the use of theoretical and empirical tools to investigate terrorism and the impact of counterterrorism policy. Throughout the course, tools of economic analysis (e.g., indifference curves, constrained optimization, and simple market analysis) are applied to the study of terrorism. In addition, elementary game theory is also applied.

The course provides students with an analytical-based knowledge of terrorism and counterterrorism in a modern-day globalized society where borders are porous to terrorists. The class demonstrates the power of economics and analytical analysis in understanding real-world problems such as terrorism. The course will educate students so that they can read

today's literature on terrorism. The methods learned can be applied to a wide range of topics in a variety of subjects including economics, political science, sociology, and history. This class will also educate individuals going into a homeland security career or working for the government.

- Learning Outcomes**
1. Ability to apply game theory to understand the practice of terrorism and procedures to counter terrorism.
 2. Understand the root causes of terrorism and what can be done to limit these causes.
 3. Understand how poverty and globalization influences transnational and domestic terrorism.
 4. Distinguish between domestic and transnational terrorism.
 5. Fosters the ability to apply basic microeconomic principles to analyze terrorism and the practice of counterterrorism.
 6. Promotes the ability to apply macroeconomic principles to discern the economic consequences of terrorism on economic growth, investment, foreign direct investment, and government expenditure.
 7. Be able to answer questions about the history of terrorism and the four waves of terrorism.
 8. Be able to distinguish between terrorism, crime, war, civil war, insurgencies, and other forms of political violence.
 9. Acquire a good knowledge of the important leftist and religious fundamentalist terrorist groups.
 10. Acquire an understanding on how various statistical tools have been applied to the modern study of terrorism.
 11. Understand the notion of transference where counterterrorist policies have unintended consequences.
 12. Understand how hostage taking furthers terrorist goals and how authorities should respond to hostage taking
 13. Acquire a working knowledge of the trends in terrorist attacks.

Textbooks:

Required Texts & Materials
Enders, Walter and Todd Sandler, *The Political Economy of Terrorism*, 2nd Ed. (Cambridge: Cambridge University Press, 2012). In paperback

Hoffman, Bruce, *Inside Terrorism*, Revised Edition (New York: Columbia University Press, 2006). In paperback

Books available Electronically or Reference Area:

Readings, & Materials
Arquilla, John and David Ronfeldt, eds., *Networks and Netwars: The Future of Terror, Crime, and Militancy* (Santa Monica, CA: RAND, 2001). (An electronic book)

Bloom, Mia, *Dying to Kill: The Allure of Suicide Terror*, (New York: Columbia University Press, 2005). (An electronic book)

Mickolus, Edward F., *Terrorism, 1992-1995: A Chronology and a Selectively Annotated Bibliography* (Westport, CT: Greenwood

Press, 1997). (Reference source for incidents)
(In Reference section, 2nd Floor)

Mickolus, Edward F., *Terrorism, 1996-2001: A Chronology* (Westport, CT: Greenwood Press, 2002). (Reference source for incidents)
(In Reference section, 2nd Floor) More recent additions are also available.

Mickolus, Edward F., Todd Sandler, and Jean M. Murdock, *International Terrorism in the 1980s: A Chronology of Events*, 2 volumes (Ames, IA: Iowa State University Press, 1989). (Reference source for incidents) (In Reference section, 2nd Floor)

Pape, Robert A., *Dying to Win: The Strategic Logic of Suicide Terrorism* (New York: Random House, 2005).

9/11 Commission, *The 9/11 Commission Report: Final Report of the National Commission on Terrorist Attacks upon the United States* (New York: W.W. Norton & Company, 2004). (This is an excellent report). (An electronic book and relevant chapters in eLearning)

Articles on eLearning for Downloading:

Benmelech, Efram and Claude Berrebi (2007), "Human Capital and the Productivity of Suicide Bombers," *Journal of Economic Perspectives*, 21(3), Summer, 223–238.

Brandt, Patrick T. and Todd Sandler (2010), "What Do Transnational Terrorists Target? Has It Changed? Are We Safer?" *Journal of Conflict Resolution*, 54(2), April, 214–236.

Brandt, Patrick T., Justin George, and Todd Sandler (2016) "Why Concessions Should Not Be Made to Terrorist Kidnappers," *European Journal of Political Economy*, Vol. 44, September 2016, pp. 41–52. Open Access: <http://dx.doi.org/10.1016/j.ejpoleco.2016.05.004>

Cronin, Audrey K. (2006), "How al-Qaeda Ends: The Decline and Demise of Terrorist Groups," *International Security*, 31(1), Summer, 7–48.

Eubank, William L. and Leonard Weinberg (1994), "Does Democracy Encourage Terrorism?" *Terrorism and Political Violence*, 6(4), Winter, 417–435.

Gaibullov, Khusrav, Todd Sandler and Charlinda Santifort (2012), "Assessing the Evolving Threat of Terrorism," *Global Policy*, 3(2), May, 135–144.

- Moghadam, Assaf (2006), "Suicide Terrorism, Occupation, and the Globalization of Martyrdom: A Critique of Dying to Win," *Studies in Conflict & Terrorism*, 29(8), December 2006, 707–729.
- Sandler, Todd (2014), "Analytical Study of Terrorism: Taking Stock," *Journal of Peace Research*, March 2014, pp. 257-271. Open Access:
<http://jpr.sagepub.com/content/51/2/257.full.pdf+html>
- Sandler, Todd, Daniel G. Arce, and Walter Enders (2011), "An Evaluation of INTERPOL's Cooperative-Based Counterterrorism Linkages," *Journal of Law and Economics*, 54(1), February, 79–110.
- Victoroff, Jeff (2005), "The Mind of the Terrorist: A Review and Critique of Psychological Approaches," *Journal of Conflict Resolution*, 49(1), February, 3–42.

Also 9/11 Commission Report chapters are on e-Learning.

Assignments & Academic Calendar

Week	Topic	Assignment
1	Introduction	Hoffman, Chap 1 Enders-Sandler, Chap 1 <i>9/11 Report</i> , Chaps 1-2
2	Historical Aspects Liberal Democracy Tradeoff	Hoffman, Chap 2 Enders-Sandler, Chap 2 Lipsey-Steiner Reading about indifference curves on e-Learning
3	Historical Aspects Liberal Democracy Tradeoff	Hoffman, Chap 3 Enders-Sandler, Chap 2 Eubank and Weinberg (1994)
4	Statistical Studies and Terrorist Behavior	Enders-Sandler, Chap 3, Sandler (2014) Gaibullov, Sandler, and Santifort (2012)
5	Counterterrorism	Enders-Sandler, Chap 4 <i>9/11 Report</i> , Chap 3
6	Counterterrorism: Continue	Enders-Sandler, Chap 4 Cronin (2006) article
Exam 1: October 5, 2016		
7	Transference	Enders-Sandler, Chap 5 Brandt and Sandler (2010)
8	Religion and Terror Suicide Terrorism	Hoffman, Chaps 4-5 Moghadam (2006) article Benmelech and Berrebi (2007)

9	International Cooperation	Enders-Sandler, Chap 6 Sandler, Arce, Enders (2011)
10	Hostage Taking; Terrorist Groups; After 9/11	Enders-Sandler, Chaps 7-9 Brandt, George, and Sandler (2016)
11	Economic Impact of Terrorism	Enders-Sandler, Chap 10
12	Homeland Security, WMD Terrorism	Enders-Sandler, Chaps 11-12 Hoffman, Chaps 8-9

Exam 2: November 9, 2016**13-14** Student Presentations:

Terrorist Groups (e.g., al-Qaida, ISIS, al-Shabaab, Boko Haram, Abu Nidal Organization, HAMAS, Hezbollah)

Psychology and terrorism Use the Victoroff article as a starting point

Terrorism and the media

Lessons from 9/11

Cyberterrorism

Or topic of own choosing

Exam Dates **Exam 1: October 5, 2016**

Exam 2: November 9, 2016

Presentations: As announced

Final Exam: To be announced (usual classroom).

Course Policies

Grading (credit) Criteria	<p>The class grade is determined as follows:</p> <table> <tr> <td>Exam 1</td> <td>25%</td> </tr> <tr> <td>Exam 2</td> <td>25%</td> </tr> <tr> <td>Class Presentation/Attendance at other Presentations</td> <td>25%</td> </tr> <tr> <td>Final Exam</td> <td>25%</td> </tr> </table> <p>I do not give makeup exams, no matter what. If you miss Exam 1 or 2 because of sickness or circumstances (e.g., death in family), then your grade will be determined as follows:</p> <table> <tr> <td>Exam 1 or 2</td> <td>25%</td> </tr> <tr> <td>Class Presentation/Attendance at other Presentations</td> <td>25%</td> </tr> <tr> <td>Final Exam</td> <td>50%</td> </tr> </table> <p>I will need documented proof to miss an exam. If you miss both Exams 1 and 2, then the Final Exam counts 75%. Be forewarned: past experience indicates that students who take more exams tend to do better. The Final Exam is cumulative.</p> <p>Your group presentation is with one or two other students. You will be graded on the presentation (each member is graded individually on his/her part) and the overheads. Also, your participation is graded on coming to all other presentations and participating in discussion. Failure to do so will lose you 5 points for every missed presentation.</p>	Exam 1	25%	Exam 2	25%	Class Presentation/Attendance at other Presentations	25%	Final Exam	25%	Exam 1 or 2	25%	Class Presentation/Attendance at other Presentations	25%	Final Exam	50%
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Final Exam	50%														

	<p>Presentations can use overheads and/or powerpoint. Class presentations will be kept to 25-30 minutes depending on class size.</p> <p>Grades are not like hostage events – they are not negotiable. I do not change grades (grant concessions) because you discover at the end of the semester that your scholarship will be taken away or some other catastrophe will befall you. If you need a certain grade, then you need to work for it during the semester. Likewise, there are no extra credit projects. The final exam is given at the agreed upon time so don't book a flight and then ask for an earlier exam. I will make no exceptions.</p>
Make-up Exams	No make-up exams, no matter what.
Extra Credit	Students missing <i>no more than one class</i> within the weeks prior to each exam will have five points added to their exam score. (Remember, no excuses are accepted for missing a class). Also, you must be in your seat within 5 minutes of the start of class – coming in 6 minutes late, or leaving early will not qualify as an attendance for extra credit. Starting the semester late will be counted against attendance for extra credit
Late Work	Not accepted
Special Assignments	None
Class Attendance	Strongly recommended
Classroom Citizenship	No talking in class. No cell phones in class except on the date of teaching evaluation. They can of course be in your pocket or backpack.
Ancillary Material	For material on Religious Holy Days, Disability Services, Student Conduct, etc., see http://provost.utdallas.edu/syllabus-policies/