



A/449424

© 2008 AGI-Information Management Consultants
May be used for personal purposes only or by
libraries associated to dandelon.com network.

Economic Instruments of Security Policy

Influencing Choices of Leaders

Gary M. Shiffman



palgrave
macmillan

Contents

<i>Acknowledgments</i>	ix
Introduction	1
Part I The Individual	
1 States Don't Make Decisions; People Do	7
Adam Smith and 21st-century national security	9
Maximizing, rationality, and the bounds of institutions	14
2 The Economics of Autocracies	20
Ranchers and wolves	22
Predicting the dictator: a theoretical model	28
3 Castro's Cuba in the 1990s and U.S. Sanctions	38
The Cuban economy in the 1990s	42
Dictating economic performance	48
Sanctions: truth in advertising	58
4 Principles for Policy	65
How will we evaluate a policy?	68
Part II The World	
5 Democracies and the Politics of Trade	75
Free trade agreements	82
Case study: the PRC	85
Case study: pistachios, rugs, and relationship-building	88
Export controls	92
India and commerce	95
PRC and public disclosure	96
Import restrictions	97
Case study: the PRC	98
Trade as a tool: roundup	100
6 International Finance and Money as a Security Tool	101
Money	101
Inflation	102

Case study: Swiss dinars and Saddam dinars	104
Case study: Internet marketplace	106
7 Exchange Rate Choices Matter to National Security	109
Choosing an exchange rate	111
Case study: dollarization	116
Maximize what?	117
8 Maximizing Over Time Through Lending and Borrowing	122
Open economy—international investment	124
Case study: East Asian financial crises	126
Case study: Tibet vs the World Bank at Qinghai	127
Sovereign lending and foreign direct investment	128
Debt dynamics and debates	134
Summary: money, exchange regimes, debt	140
9 Curing Poverty Helps National Security	142
Terrorism and poverty	142
Theory of growth	146
Incentives and growth	148
De-industrialization: when countries won't invest in domestic capacity	149
Case study: the Millennium Challenge Account	152
10 Tools Against Terrorists	155
Case study: Saudi Arabian charities	158
Case study: Iraq	159
Case study: Syria	160
11 International Law and Courts	161
Sovereign immunity	163
Case studies: the families of Armando Alejandro (45), Carlos Costa (29), Mario de la Peña (24), Pablo Morales (29), and Alisa Flatow (20) take on the terrorists	164
Conclusion	171
<i>Appendix</i>	173
<i>Notes and References</i>	176
<i>Bibliography</i>	183
<i>Index</i>	189