IUE-EKOLIDER & METU-TEKPOL

Fourteenth Annual International Conference on Economics and Security

June 17-18, 2010
Izmir, Turkey

ORGANIZED BY

Izmir University of Economics
Research Center
EKOLIDER
IUE-EKOLIDER
Izmir, Turkey

Middle East Technical University
Science and Technology Policies Research Center
METU-TEKPOL
Ankara, Turkey
ORGANIZATION COMMITTEE

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http://www.stps.metu.edu.tr
INVITED SPEAKERS

KOLLIAS Christos (University of Thessaly, Greece)
KILLELEA, Steve (Institute for Economics and Peace)
DUNNE, J Paul (University of West England)

SCIENTIFIC COMMITTEE

Dunne, J Paul University of West England (UWE)
Öcal, Nadir Middle East Technical University (METU)
Erdil, Erkan Middle East Technical University (METU)
Yıldırım, Jülide Gazi University (GU)
Yetkiner, Hakan Izmir University of Economics (IUE)
Pamukçu, M. Teoman Middle East Technical University (METU)

SPONSORS

The Organization Committee gratefully acknowledges financial support from the following institutions:

The Scientific and Technological Research Council of Turkey (TUBITAK)

Central Bank of the Republic of Turkey (TCMB)
DATES and VENUE

**Dates**  Thursday, June 17 - Friday, 18 2010  
**Venue**  EKOLIDER  
   Izmir University of Economics  
   Izmir, TURKEY

COCTAIL

You are all invited to our welcoming cocktail at the backyard of the Lunch Hall in the University on June 16th, 18:00-20:00

REGISTRATION

Registration and Information Desk is located on the ground floor of the Conference Hall at Izmir University of Economics from 08:00 on Thursday, June 17 to 16.00 on Friday, June 18.

LUNCHES

Lunches will be served at the University’s Lunch Hall on June 17-18. Lunch vouchers will be provided to all conference participants.

CONFERENCE DINNER

Conference Dinner will be held on Thursday, June 17 at 19:30. Please indicate whether you will attend the Conference Dinner in your registration form and ask for your voucher.

ACCOMMODATION

Our participants may stay in any hotel in Izmir. Balcova Thermal Hotel is 5 minutes away by walk from the University. Crowne Plaza Hotel is 5 minutes away by taxi from the University. Please refer to the conference website for details  
http://ekolider.ieu.edu.tr/eab/DEFENCE2010/accommodation.php
# PROGRAMME

## Thursday, June 17

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<thead>
<tr>
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<th>Event</th>
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<tbody>
<tr>
<td>08:30</td>
<td>Registration</td>
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<tr>
<td>09:30</td>
<td>Opening Addresses</td>
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<tr>
<td>10:00</td>
<td>Plenary Session</td>
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<td>11:00</td>
<td>Coffee Break</td>
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<tr>
<td>11:15</td>
<td>Sessions I &amp; II</td>
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<tr>
<td>12:45</td>
<td>Lunch</td>
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<tr>
<td>14:00</td>
<td>Sessions III &amp; IV</td>
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<td>16:00</td>
<td>Coffee Break</td>
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<tr>
<td>16:15</td>
<td>Sessions V &amp; VI</td>
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<tr>
<td>18:00</td>
<td>Plenary Session</td>
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<td>19:00</td>
<td>Conference dinner</td>
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## Friday, June 18

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<tr>
<td>09:30</td>
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<td>10:30</td>
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<tr>
<td>12:00</td>
<td>Lunch</td>
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<td>13:30</td>
<td>Sessions VII &amp; VIII</td>
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<td>15:00</td>
<td>Coffee Break</td>
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<tr>
<td>15:15</td>
<td>Sessions IX &amp; X</td>
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<tr>
<td>16:45</td>
<td>Sessions XI &amp; XII</td>
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## Saturday, June 19

**Day Trip to Ephesus**

Participants of the day trip will depart from the University Campus at 09:30 and return back about 16:30.
# DETAILED PROGRAMME

## THURSDAY, 17 JUNE

### OPENING ADDRESSSES

<table>
<thead>
<tr>
<th>June 17</th>
<th>Conference Hall</th>
<th>09:30-10:00</th>
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</table>
| Prof. Dr. Atilla Sezgin *(Rector, IUE)*  
Assoc. Prof. Dr. Hakan Yetkiner *(Director, EKOLİDER)* | | |

### PLENARY SESSION

<table>
<thead>
<tr>
<th>June 17</th>
<th>Conference Hall</th>
<th>10:00 - 11:00</th>
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</thead>
</table>
| *Defence and Peace Economics: A 20-year Retrospective*  
Christos Kollias (University of Thessaly, Greece)  
Daniel Arce (University of Texas, USA) | | |

### COFFEE BREAK

| 11:00-11:15 |
### SECTIONS I & II

**(Parallel Sessions)**

June 17  
11:15-12:45

#### SESSION I  
Room: C407

**Times of War and Peace: The Economics of Continuing Conflict and Production: Theory and Empirics**  
Raul Caruso (Università Cattolica del Sacro Cuore di Milano, Italy)

**Terrorism and Capital Markets: The Effects of the Istanbul Bombings**  
Nikos Christofis (Leiden University, The Netherlands)  
Christos Kollias (University of Thessaly, Greece)  
Stephanos Papadamou (University of Thessaly, Greece)  
Apostolos Stagiannis (University of Thessaly, Greece)

**Peacekeeping Private Benefits and Common Agency**  
Ugurhan G. Berkok (Royal Military College of Canada, Canada)

__________________________  
**Convenor: Jülide Yıldırım** (Gazi University)

#### SESSION II  
Room: C408

**Economic Development and Terrorism: Is There a Causal Connection**  
Pınar Derin-Güre (Middle East Technical University, Turkey)

**The Economic Repercussions of Terrorism on the Tourist Sector**  
Thomas Baumert (Universidad Católica de Valencia Facultad de Estudios de la Empresa, Spain)  
Jerusalén Caro (Universidad Católica de Valencia Facultad de Estudios de la Empresa, Spain)  
Joost Heijs (Universidad Complutense de Madrid, Spain)

**Conflict and Terrorism and the Airline Industry**  
J Paul Dunne (University of the West of England, United Kingdom)

__________________________  
**Convenor: Eftychia Nikolaidou** (City College)

#### LUNCH  
12:45-14:00
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<tr>
<td><strong>June 17</strong></td>
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### SESSION III

**Room: C407**

**Defense Expenditure and Income Inequality: The Case of India**  
Guo Zhonghou (Wuhan University of Economics, Luojiadun, China)  
Yiwen Jiang (Wuhan University of Economics, Luojiadun, China)

**The Effect of Civilian Unemployment on Reenlistment Decision in Turkish Armed Forces**  
Julide Yıldırım (Gazi University, Turkey)  
Nebile Korucu (Istanbul Kültür University, Turkey)  
Semsettin Karasun (Turkish Naval Forces, Turkey)

**Military Expenditure and Economic Growth: A Meta-Analysis**  
Aynur Alptekin (University of Surrey, United Kingdom)  
Paul Levine (University of Surrey, United Kingdom)

**The Relationship between Economic Growth and Defense Spending in France: A Contest between Models**  
Julien Malizard (University Montpellier 1, France)

**Convenor:** Raul Caruso (Università Cattolica del Sacro Cuore di Milano)

### SESSION IV

**Room: C408**

**Guns, Highways and Economic Growth in the US**  
Christos Kollias (University of Thessaly, Greece)  
Suzanna Maria Paleologou (University of Ioannina, Greece)

**Defence Spending and Economic Growth: A Panel Data Approach for the EU15**  
J Paul Dunne (University of the West of England, United Kingdom)  
Eftychia Nikolaidou (International Faculty of the University of Sheffield, Thessaloniki, Greece)

**Defense Spending and Economic Growth in the MENA Countries: A Panel Data Approach**  
Erkan Erdil (Middle East Technical University, Turkey)  
Hakan Yetkiner (Izmir University of Economics, Turkey)

**Stability of Long Run Military Expenditures: Evidence from Panel Cointegration Tests with Multiple Breaks**  
Bulent Guloglu (Pamukkale University, Turkey)  
Ensar Yesilyurt (Pamukkale University, Turkey)  
Filiz Yesilyurt (Pamukkale University, Turkey)  
Selami Sezgin (Pamukkale University, Turkey)

**Convenor:** Ron Smith (Birkbeck College)

### COFFEE BREAK

**16:00-16:15**
SESSIONS V & VI (Parallel Sessions)

June 17

SESSION V

Room: C407

A Game Theoretical Analysis of Economic Sanction
Khalifany Ash Shidiqi (Universitas Gadjah Mada, Indonesia)
Rimawan Pradiptyo (Universitas Gadjah Mada, Indonesia)

Uninformed Rational Voters and the Democratic Peace
Petros Sekeris (University of Namur, Belgium)

The Persistence of Low Level Violence: An Economic Approach
Emmanuel Athanassiou (University of Athens, Greece)

Convenor: Julien Malizard (University of Montpellier)

SESSION VI

Room: C408

Determinants of Defence Production: Panel Data Analysis
Ensar Yesilyurt (Pamukkale University, Turkey)
Bulent Guloglu (Pamukkale University, Turkey)
Filiz Yesilyurt (Pamukkale University, Turkey)
Sennur Sezgin (Pamukkale University, Turkey)

What Drives Milex in Zimbabwe: A Comparative Study
Zachary Tambudzai (University of KwaZulu-Natal, South Africa)
Geoff Harris (University of KwaZulu-Natal, South Africa)

Trends in Military Expenditure – The Role of Natural Resources
Sam Perlo-Freeman (International Peace Research Institute, Sweden)
Jennifer Brauner (International Peace Research Institute, Sweden)

Convenor: J Paul Dunne (University of West England)
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<tbody>
<tr>
<td><strong>PLENARY SESSION</strong></td>
<td>June 17</td>
<td>18:00 - 19:00</td>
<td>Conference Hall</td>
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<tr>
<td><strong>The Measurement of Peace</strong></td>
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<td>Steve Killelea (Institute for Economics and Peace)</td>
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<tr>
<td><strong>CONFERECE DINNER</strong></td>
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# FRIDAY, JUNE 18

## PLENARY SESSION

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<tbody>
<tr>
<td><strong>The Economics of Violence</strong>&lt;br&gt;J Paul Dunne (University of West England, UK)</td>
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## SESSION BOARD OF TRUSTEES

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<tr>
<td><strong>Value of Military Intelligence and Optimal Budget Allocation in an Arms Race Context</strong>&lt;br&gt;Eyal Pecht (Tel Aviv University, Israel)&lt;br&gt; Asher Tishler (Tel Aviv University, Israel)</td>
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<td><strong>Interagency Coordination in Intelligence</strong>&lt;br&gt;Ufurhan G. Berkok (Royal Military College of Canada, Canada)</td>
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<tr>
<td><strong>From Conscription to Volunteers: Budget Shares in NATO Defence Spending</strong>&lt;br&gt;Vincenzo Bove (Birkbeck College, University of London, United Kingdom)&lt;br&gt; Elisa Cavatorta (Birkbeck College, University of London, United Kingdom)</td>
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Convenor: **Christos Kollias** (University of Thessaly)

## LUNCH

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<thead>
<tr>
<th>SESSION VII</th>
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**The Effects of Economic and Political Factors on Terrorism**
Sacit Hadi Akdede (Adnan Menderes University, Turkey)
Ibrahim Çetinkaya (Aydın School of Policemen, Turkey)

**Economic Security in International Business: The Case of Slovene Enterprises in the Western Balkans Market**
Udovič, Boštjan (University of Ljubljana, Slovenia)

**R&D Activity within the Turkish Defence Industry**
Burçak Ozoglu Pocan (Middle East Technical University, Turkey)

Convenor: **Teoman Pamukçu** (Middle East Technical University)

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<tr>
<th>SESSION VIII</th>
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**The Global Economic Costs of Conflict**
Olaf J. de Groot (German Institute for Economic Research, Germany)
Tilman Brück (German Institute for Economic Research, Germany)

**Military Spending, Conflict and Economic Growth**
J Paul Dunne (University of the West of England, United Kingdom)
Mehmet Uye (University of the West of England, United Kingdom)

**The Euro-Mediterranean Partnership and the Economic Dimension in the EU’s Security Interests towards its Southern Mediterranean Region**
Walid Abu-Dalbouh (University of Jordan, Jordan)

Convenor: **Selami Sezgin** (Pamukkale University)

| COFFEE BREAK | 15:00-15:15 |
SESSIONS IX & X  (Parallel Sessions)
June 18  15:15-16:45

SESSION IX  Room: C407

Non-linear Relationship between Economic Growth and Military Expenditure: An Application to the French Case
Julien Malizard (University Montpellier 1, France)

Modelling the Relationship between Defence, Non-defence Expenditures and Inflation within a Threshold Regression: Evidence from Turkey
Kadir Yasin Eryigit (Uludag University, Turkey)
Sibel Bali (Uludag University, Turkey)

Corruption, Military Spending and Growth
Giorgio D’Agostino (University of Perugia, Italy)
J Paul Dunne (University of the West of England, United Kingdom)
Luca Pieroni (University of Perugia, Italy)

Convenor: Nadir Öcal (Middle East Technical University)

SESSION X  Room: C408

Ranking the Performance of European Armed Forces (EAF)
Marion Bogers (Netherlands Defence Academy, Netherlands)
Robert Beeres (Netherlands Defence Academy, Netherlands)

Tigers on the Retreat: How the Swiss Search for a Successor to its Outdated F-5 Fighters Resulted in a Contract Design Capable to Overcome Information Asymmetries
Peter T. Baltes (Swiss Military Academy, Switzerland)

Globalisation of the Arms Industry – Stakes and Reality
Renaud Bellais (EADS and Institut d'Etudes Politiques de Paris, France)
Susan T. Jackson (Stockholm International Peace Research Institute, Sweden)

Convenor: Ali Taşiran (Middlesex University)
SESSION XI

Military Expenditure and Granger Causality: A Critical Review
J Paul Dunne (University of the West of England, United Kingdom)
Ron Smith (Birkbeck College, University of London, United Kingdom)

Defence Economy: A Detailed Survey of the Literature
Ensar Yesilyurt (Pamukkale University, Turkey)
Guloglu Bulent (Pamukkale University, Turkey)
Filiz Yesilyurt (Pamukkale University, Turkey)
Sennur Sezgin (Pamukkale University, Turkey)

Dynamics of Wars
Ron Smith (Birkbeck College, University of London, United Kingdom)
Ali Taşran (Middlesex University, United Kingdom)

Convenor: Paul Levine (University of Surrey)

SESSION XII

Military Expenditure and Human Development in Egypt
Hamid E. Ali (American University in Cairo, Egypt)

The Choice between Buying a New Porsche and Sponsoring Conflict Prevention! Why the Market for Prevention of Conflict Fails
Kyoko Mona (Economics Manhattanville College, U.S.A)

Convenor: Asher Tishler (Tel Aviv University)