

## Common Module Defence and Security Economics

Implementation Group Doc.: IG/2013/07 Date: 28-8-2014 Origin: ESDC SECRETARIAT

Country	Institution	Common Module	ECTS
		Defence and Security Economics	4.0
Service All	Officers or Civ	Minimum Qualification for Lecturers	
Languages <b>English</b>	<ul> <li>English: Common European Framework of Reference for Languages (CEFR) Level B2 or NATO STANAG 6001 Level 3.</li> <li>Thorough knowledge of public economics, defence economics, and economics.</li> </ul>		
SQF MILOF       Competence area - Military Technician         Learning area - Sustaining the force         Organisation level – Political CivMil			

	Goals of the module
Prerequisites for international participants	• Reflect on the place and dependencies of military logistics systems as part of a broader strategic, national /multinational economic architecture, including:
<ul> <li>English: Common European Framework of Reference for Languages (CEFR) Level B1 or NATO STANAG Level 2.</li> </ul>	<ul> <li>Basic principles of functioning, structure and trouble spots of the economy part which creates conditions for basic satisfying societal needs as a protection of territorial integrity, state institutions, citizen and its property.</li> </ul>
	<ul> <li>Specification, classification and economic consequences of military expenditures and defence budgeting.</li> </ul>
• At least 1 year of national	<ul> <li>Arms production and arms trade points at issue.</li> </ul>
(military) higher education.	<ul> <li>Defence acquisition system.</li> </ul>
	<ul> <li>Economic aspects of defence alliances.</li> </ul>
<ul> <li>Basic knowledge of economics and public economics or public finance.</li> </ul>	<ul> <li>Decision making process within department of defence area.</li> </ul>
	<ul> <li>Economic background of armed conflicts and terrorism, their causes and economic consequences.</li> </ul>
	<ul> <li>Basic approaches to application of economic analysis in military and defence.</li> </ul>

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Original: iMAF 2014 participants	27 <sup>th</sup> June 2014
Revised by Col Harald GELL	28 <sup>th</sup> August 2014
Revised by Col Vladan HOLCNER	03 <sup>rd</sup> November 2024
Revised by CAPT (N) Nedko Dimitrov / Chairman LoD 2	05 <sup>th</sup> November 2024
Revised according to SQF MILOF by CAPT (N) N. Dimitrov and Assoc. Prof. N. Karadimas / Chairpersons LoD 2/8	20 <sup>th</sup> November 2024



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## Verification of learning outcomes

- **Observation**: Throughout the module, students are to discuss the given topics within syndicates and in the plenary and present teamwork results. During these discussions, students are to be evaluated to verify their competencies.
- **Project**: Group project and its defence and final examination. A group project will focus on the basic description of a selected part of defence and security economy for a particular country or a set of countries. Students will have to elaborate the general economic characteristics of its/their defence or security system(s). Students will point out the main issues connected with selected parts of defence and security economy in a given country/countries, identify trends, make comparisons, etc. Students will be required to apply basic methods of scientific research for the design of defence and security problem solutions, incl. basic quantitative/statistic methods.
- **Test**: Written or oral examination at the end of the module. The type of the test is up to the Course Director.

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Module Details			
Main Topic	Recomm- ended WH	Details	
Introduction to Defence and Security Economics	4	<ul> <li>Relations between national economy and defence and security.</li> <li>History of defence economics.</li> <li>Defence and security as public goods.</li> </ul>	
Defence Expenditures	4	<ul><li>Public and military expenditures.</li><li>Sources of data.</li><li>Trends and comparisons.</li></ul>	
Determinants and Economic Consequences of Defence Expenditures	4	<ul> <li>Demand for defence and security.</li> <li>Political, economic and security determinants of defence spending.</li> <li>Multiplication effects of defence expenditures.</li> </ul>	
Defence Industrial Base and Arms Transfers	4	<ul> <li>Defence industry.</li> <li>Arms market</li> <li>Arms transfers.</li> <li>Drivers of future defence industry development.</li> </ul>	
Economics of Military Alliance	2	<ul> <li>Pros and cons of own multilateral defence and security.</li> <li>Financial issues of a multilateral approach to defence and security.</li> </ul>	
Armed Forces and Labour Market	2	<ul> <li>Models of military manpower.</li> <li>Specific position of armed forces in the labour market</li> <li>Pros and cons of all-volunteer vs. conscription-based forces.</li> </ul>	
Recent trends Defence and Security Economy	4	<ul> <li>Economics of terrorism.</li> <li>Economic of armed conflicts.</li> <li>Economics of private military and security companies, economics of military robotics.</li> <li>Economics of cyberspace.</li> </ul>	
Defence Resources Efficiency	4	<ul><li>Economic efficiency in defence.</li><li>Application of economic analysis in defence and security area.</li></ul>	
Defence Resources Management	6	<ul><li>Introduction into defence resources management.</li><li>Financial Management Systems.</li><li>Defence budgeting.</li></ul>	
Defence Acquisition System	6	<ul><li>Introduction of defence acquisition system.</li><li>Defence acquisition management process.</li><li>Defence acquisition management framework.</li></ul>	
Total	40		

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Additional hours to increase the learning outcomes			
Seminar Projects	4	<ul> <li>Assignment, consultations, and presentation/defence of funding within a team project focused on analysing a country/countries economy of defence sector.</li> </ul>	
Case Studies and Discussions	8	• Work on a case study (budged reduction implementation act).	
Introduction to Economic Analysis in Defence and security Area	8	<ul> <li>Case studies of defence decision-making problems analysis (military training, garrisons' closure, economic impacts, military activity studies).</li> </ul>	
Self-Study	40	<ul><li>Preparation for the upcoming lessons and for exam(s).</li><li>Reflection of the topics issued.</li><li>Seminar project elaboration.</li></ul>	
Total additional hours	60		
TOTAL	100		

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## List of Abbreviations:

B1, B2	CEFR Levels
CEFR	Common European Framework of Reference for Languages
ECTS	European Credit Transfer and Accumulation System
ESDC	European Security and Defence College
IG	Implementation Group
iMAF	international Military Academic Forum
NATO	North Atlantic Treaty Organization
SQF MILOF	Sectoral Qualification Framework for Military Officers
STANAG	Standardization Agreement
WH	Working Hour

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