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Research Report

How is the EUSECON Project Shaping the European Security Research Agenda?

EUSECON Policy Briefing, No. 1

Provided in Cooperation with:

German Institute for Economic Research (DIW Berlin)

Suggested Citation: de Groot, Olaf J.; Purska, Myroslava (2011) : How is the EUSECON Project Shaping the European Security Research Agenda?, EUSECON Policy Briefing, No. 1, Deutsches Institut für Wirtschaftsforschung (DIW), Berlin

This Version is available at:

<https://hdl.handle.net/10419/119582>

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- **What is security and what is security research?**
- **What angles of research can be addressed in this project?**
- **What have we learned so far from the EUSECON project?**

Summary: The New Agenda for European Security Economics (EUSECON) is a project that, since 2008, explores the challenges and opportunities in research on human-induced security risks. After defining security as a good that has both public and private characteristics, the research focuses on different elements within the wider issue. The research addresses the factors that influence agents of insecurity and the responses triggered by insecurity threats and security policies. Underpinned by research, the project presents its policy-relevant findings with the goal of improving policy-making in the European Union, disseminating this knowledge to stakeholders, and of promoting information exchange.

POLICY BRIEFING

September 2011 EUSECON Policy Briefing 1

How is the EUSECON Project Shaping the European Security Research Agenda?

Introduction

Since 2008, EUSECON has operated as a collaborative research project funded through the European Commission's 7th Framework Program. EUSECON, *A New Agenda for European Security Economics*, consists of fourteen partner institutions in nine different countries, led by DIW Berlin – the German Institute for Economic Research. EUSECON has established an operational network of leading European researchers to lay the foundations of a new European multidisciplinary research agenda in security economics and security policy. Specifically, the goals of the project are to define the field of security economics, provide its analytical framework, as well as to identify and address knowledge gaps in the research agenda. The unifying theme is the analysis of the causes, dynamics and long-term effects of human drivers of insecurity – terrorism and organised crime – and European security policies. EUSECON's research generates policy relevant knowledge for the use of European and international policymakers and practitioners, as well as other relevant stakeholders.

In this Policy Briefing series, we present some of the most salient results that are likely to impact actual policy-making in the future. The current Briefing outlines the research agenda of the project and highlights some of the outputs that have already emerged.

How to define security?

As Engerer (2011) points out, there is no clear definition of security. One way to define security is by focusing on the absence of risks or threats. However, the positive emotions associated with feeling secure extend beyond the simple absence of external threats. That means that we should not simply associate the positive term of security with the inverse of risks. Furthermore, for EUSECON's research agenda, it is important to see how this issue of security can be combined with aspects of economic research (Engerer, 2011). A great challenge for the accomplishment of this goal is the availability of data, which is limited at best (Drakos, 2011).

One interesting avenue of research explored by EUSECON is the differentiation between *being* secure and *feeling* secure. In this field, Drakos and Müller (2011) look the impact of rare terrorism events on the degree to which people feel insecure. Although a single terrorism event should not significantly affect the actual level of security, it turns out that perceived levels of security are strongly affected.

There is a significant difference between *being* secure and *feeling* secure

Finally, it is important to identify the sources of insecurity. One has to differentiate between the effects of man-made insecurity, such as terrorism (Gardeazabal, 2010) or crime (Schneider, 2010) and natural sources of insecurity, like earthquakes (Brück and Xu, 2011). While the work in the EUSECON project mostly deals with man-made forms of insecurity, it is essential to acknowledge that the definition of security as the absence of risks or threats can also be associated with natural risks. The problem is that the policy prescriptions for these types of threats differ significantly. Not much can be done to reduce the probability of natural risks, and policy recommendations thus focus on reducing the impact thereof. Man-made threats, particularly in the case of terrorism can benefit much more from policies aimed to reduce the probability of such threats.

Different perspectives on security

Engerer (2011) describes in detail what the different perspectives of security are. The question she focuses on is whether security should be considered a private or a public good. This is a question that is interesting from a theoretical perspective, but it also entails important consequences for the role of policy. If security is a purely public good, then it is the role of the state to provide the good. On the other hand, if this is a purely private commodity, then the state cannot do more than accommodate the provision of this good by private actors. In most cases, however, it is reasonable to consider security as a hybrid that displays aspects of both types of goods. Hence, the reduction of terrorism (Bossong, 2011) is considered a public good and is, thusly, provided by the state, although many of the benefits are reaped by private actors. On the other hand, Murshed (2011) describes the role played by private actors as well as the state, particularly when it comes to dealing with crime. In a similar vein, Shortland and Vothknecht (2011), pinpoint the role of ship owners and insurance companies when it comes to discouraging maritime terrorism.

From a researcher's perspective it is also important to acknowledge that the analysis of security can also be approached from different directions. There is a clear dichotomy between security analyses from a *macroeconomic* perspective and those that take a *microeconomic* angle.

It is also worth exploring an alternative dichotomy that differentiates between the *causes* and *consequences* of insecurity. An example of the microeconomic analysis of factors that influence the agent of insecurity is a study by Bemmelech et al. (2010), which uses suicide terrorism to look at microeconomic conditions that may lead to future terrorism. Similarly, Murshed and Pavan (2009) look at Islamic radicalization in Western Europe. This can be contrasted with Schneider (2010), who explores the role of financing of organised crime and De Groot et al. (2011), who take a global look at the role of governance in the occurrence of property crime. Finally, Malečková and Stanišić (2011) look at how

public opinion in support of terrorism correlates with the occurrence of terrorist acts.

At the other end of the spectrum, Kollias et al. (2011) explore the consequences of insecurity by looking at how markets respond to an act of terrorism. Gardeazabal (2010) estimates the impact terrorist attacks have on voting outcomes. The influence of the occurrence of terrorism on individuals is analysed by Drakos and Müller (2011), who show that in the short term there is a clear effect of terrorism on individual perceptions of well-being and their sense of security.

The EUSECON project explores the intersection between these dichotomies and has produced a number of interesting analyses.

The current research agenda

The current research agenda, as developed by the EUSECON project, still has many open questions. In particular, it is important to recognize all the different stages and actors that play a role in (in)security. The motivations and actions of individual terrorists need to be analysed in detail, but also the circumstances that cause individuals to become terrorists. The latter may be fruitful ground for policy in order to make terrorism less attractive to individuals. Such preventive measures can also be extended to what states and security firms do to ensure that prospective terrorists do not have a chance to exercise their threats (Brzoska, 2011). This is similar to what states and security firms can do to prevent other forms of insecurity, whether man-made (terrorism, crime, piracy) or natural (climate change, flooding). This is also related to a significant flaw in the existing literature, which is the fact that organised crime is actually a much larger problem than terrorism when it comes to welfare, but the latter receives the largest portion of both funding and research attention.

The next step in the framework of (in)security is impact analysis and the reduction of this impact. This dictates that we should analyse how extreme events affect individuals and society, both directly and indirectly. At the same time, we can look at what the consequences of particular policy options are on the

probability of events and on the impact that such events have when they take place. Here it is important to remember the distinction between *being* secure and *feeling* secure, a distinction that is not always made in the existing literature. The role of media on the perceived security should be given further consideration. Finally, looking at the bigger impact of (in)security, it is important to see what the underlying linkages are between (in)security and other policies. For example, whether or not current development policies are in line with the stated objective of increasing security should be determined. Another question that must be asked is whether security policies can exacerbate the insecurity itself, through political polarisation and radicalisation. These security policies themselves are thus also the object of study within the EUSECON project.

It is important to recognize all the different actors that play a role in (in)security

In order to provide useful answers to these questions, it is important that an interdisciplinary point of view is taken. Explaining some aspects of insecurity requires the use of tools from different fields, and only when these different fields are combined can the questions realistically be answered. The EUSECON project is on its way to answering some of these questions and pointing out that others still need answers. While it is not realistic to think that, within the scope of this project, all these questions will finally be answered, it is important that a European network of security researchers is established where such questions can be addressed.

Policy recommendations

The importance of the questions asked also relates to the possibilities of giving policy recommendations. It is a definite aim of the EUSECON project that specific recommendations are made. In this Policy Briefing series, we will employ the available EUSECON research, which is peer-reviewed both internally within the consortium and externally, to provide policymakers with such recommendations.

Security policy will benefit from an increased cooperation between (academic) researchers and practitioners who have first-hand experience with security data, such as security services. In the United States, for example, such cooperation has proven to be very effective, but it is less the case in Europe. By pointing out such gaps and suggesting better security measures, the EUSECON project is able to contribute to a more balanced European security architecture.

Credits

This EUSECON Policy Briefing was authored by Olaf J. de Groot and Myroslava Purska from the German Institute for Economic Research. The views expressed in this briefing are the authors' alone.

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EUSECON, or 'A New Agenda for European Security Economics' is a four-year collaborative research project, coordinated by DIW Berlin and funded by the Seventh Framework Programme of the European Commission. EUSECON analyses the causes, dynamics, and long-term effects of both human-induced insecurity threats and European security policies.

For more information on EUSECON, please visit our website:

www.economics-of-security.eu/eusecon

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