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The Roots of Terrorism

Subhayu Bandyopadhyay, economist and editor of *The Regional Economist,* speaking on his research into terrorism. Bandyopadhyay coauthored an article on terrorism for the October 2009 issue of *The Regional Economist*.

Our main interest in that paper was to look at the causes behind terrorism. There is some literature on this; it starts back — probably the most influential paper on this is by Princeton economist Alan Krueger, where he looked at some case studies of Hezbollah militants and Israeli Jewish extremists and also looked at some cross-country international terrorism data. Surprisingly, he found that there isn't that much effect of poverty or education on terrorism; what mattered more was the role of civil liberties, political rights, these things. And then, other studies have followed up on that. So what we did is kind of looked into these studies and saw the general pattern of how economic factors, as opposed to political or social factors, may be affecting terrorism. In a recent paper that I've done with a former graduate student of mine, we find that there's an interesting nonlinear relationship between political and civil liberties and terrorism, with terrorism tending to rise initially when you have better rights, but then, as you mature in terms of a democracy, have better civil rights, then terrorism falls off. That's kind of an interesting relationship that we uncovered. The other thing was that we separated out domestic and transnational terrorism and saw how they differed, and there were some surprises in there, too.

What roles do poverty and education play in encouraging terrorism?

Our sort of knee-jerk reaction is that if you are poor, you are more likely to engage in acts of terrorism because, you know, common economic sense is that if you are richer then you have more to lose by engaging in terrorism, because then, you may have to go to jail or may be killed or whatever, and you will value life more. So people have looked at this issue, and as I already mentioned, Krueger, and then more recently, Harvard economist (Alberto) Abadie. We have also looked at this issue. And none of these studies — and this is pretty robust across the studies — none of these studies really pick up a significant relationship between poverty and terrorism once you account for some sociopolitical factors, like political rights and civil liberties; so that's interesting. The same thing for education, and of course, you know, there's a little bit of an overlap between education and poverty. In fact, what Kruger pointed out in his study is that actually, he and his co-author found that

education and income tended to raise terrorism to some degree. And part of that reason is, when you think about it rationally, is because the ability may correlate with education, and if you are better educated, smarter, then you may be better able to successfully carry out terrorist attacks.

Why is the road to democracy often paved with terrorism?

In situations of extreme autocracy or dictatorship, there is, you know, what you could say is a very strong rule of law. You have the secret services and the army and the police — the entire state effort is looking into your private life, and they are capable of looking into your private life; this concept of privacy, the concept of civil rights aren't there as much. So in an extreme case, a government or a regime which wants to stay in power has information that a democratic society may not be able to have, because they will not pry into your sort of house and living rooms or bedrooms. So in that sense, you can expect that extremely autocratic regimes will be able to quell terrorism. But on the other hand, when you relax and move towards democracy, you're giving more rights, and giving more rights may allow the terrorists some privacy in carrying out their actions, and so that problem can arise. But on the other hand, when you move and become a much more mature democracy, hopefully, your technological capabilities are better and you will be able to, allowing for privacy, still be able to monitor the groups more effectively, and your justice system will be better, your rule of law will be better, so you can have reduced terrorism.

What similarities and differences do you see in the causes of domestic terrorism and transnational terrorism?

In our study, we actually found some interesting differences, especially in terms of these rights variables. But the main result, a very strong, robust result, was the rule of law. If you have a strong rule of law, both domestic and transnational terrorism tended to decline. So that was one of the results. And the other was population; the larger countries tend to have both higher — larger in terms of population — countries tend to have higher levels of both domestic and transnational terrorism. I'm not sure exactly to what extent the result is driven by India, which is a nation which has a significant amount of domestic terrorism and is also like a huge country with a billion people.

What role does geography play in terrorism?

The results that we found suggested that landlocked nations tended to have more terrorism; that's one of the results; on the other hand, greater land area tended to have less terrorism. So that's kind of the results. Again, I don't know the extent to which Afghanistan, which is a landlocked country, was playing a role in that result.

What role does religion play in terrorism?

This is a very interesting question about religion. Religion, in the studies that I have seen and the work that I did with my co-author, the proportion to which a nation is Muslim or Hindu or Buddhist or Christian does not tend to be significantly determining terrorism once you take into account other factors like political civil rights and the different things that we've talked about. So there was only one result where in the case of a Buddhist-majority nation in one of our econometric specifications tended to show more terrorism. But again, when you think about that result, it may be driven by Sri Lanka, which has had a huge amount of terrorist activity, which Sri Lanka has a Buddhist majority. But the recent war may have led to the resolution of that issue.

What can government do to prevent terrorism?

The literature typically talks about two kinds of policies: defensive counterterrorism policies and preemptive counterterrorism policies. And these are active sort of policies involving the police and the military and so on. So from the perspective of the United States, which is often a target of terrorism, defensive activities will be to sort of shore up the defenses in terms of airport security and so on, where, I mean, it becomes more difficult for a terrorist to successfully carry out an attack; you might carry a gun but then be stopped at the airport security. So that's the kind of actions that we call defensive counterterrorism strategies. On the other hand, preemptive or taking a more offensive posture would be to actually go to the source of the terrorism and stop it there, kind of like the Afghan situation — the U.S. presence in Afghanistan kind of relates to that situation — so stop terrorism before it is almost imminent of it also being carried out. So these are the strategies in terms of involving the police or the military. There could be other long-run strategies, because our results tend to show civil liberties, political rights, democracy tends to help in the long run in terms of reducing terrorism. But that's a harder route to take, because you're not talking about going in and doing a regime change, necessarily, but aiding transition in these developing nations, which are often sources of terrorism, aiding transition in these nations towards greater democracy, through either foreign aid or better educational aid or negotiations with these nations or engagement with these nations.

What is usually the goal of terrorists?

The goal of the terrorist is — when you look at the numbers, for example — you know, when you have a tsunami kill so many more people, if you want to think of alcohol-related deaths, or even flu-related deaths globally — the numbers that you get from these compared to that, terrorism-related deaths will be very small, very negligible. But on the other hand, terrorism has this huge impact; it has a huge impact on our psyche. For example, like 9/11, yes, there were like 3,000 people killed, but the vision of that, the way that it happened, the way that the buildings came down, have a huge psychological impact on people. So the

primary objective of the terrorist is to create a sense of panic and affect us psychologically so that we do not feel secure anywhere we live, although the probability of actually harm coming to us may be negligible, scientifically speaking. So that's the objective of terrorists, at least in terms of what they want to do with their actions. The long-run objective may be that, through these actions, they want to get some desirable outcome or just want to get back at what they perceive as nations who are their enemies.

What was the most surprising part of your research?

The most surprising part of our research was the difference between the civil liberties, political rights' affect on terrorism between domestic and transnational. So we found that political, civil rights tend to affect significantly domestic terrorism, which, of course, accounts for a very, very large percentage of global terrorism. But when we talk about multinational terrorism, however, we didn't find the political, civil rights to be significant in all our specifications. So that was one of the biggest surprises. But when you think about it, it kind of makes sense, because transnational terrorism means that you sort of go across borders, citizens of one country hitting another country's government or property. On the other hand, domestic terrorism is you would hit your own country, and when you do not have civil liberties, political rights, you're really angry, there's no other form of expressing your discontent, so you hit back at your own government or regime through your terrorist actions.

To read the article on terrorism, go to www.stlouisfed.org/publications/re/articles/?id=1713.