



UNITED NATIONS  
*Office on Drugs and Crime*

# FORUM

## **ON CRIME AND SOCIETY**

Volume 4, Numbers 1 and 2, December 2004

Terrorism and organized crime

The economics of terrorism

The new economy of terror

Statistics on terrorism

Early detection of terrorist campaigns

UNODC counter-terrorism activities

The Counter-Terrorism Committee and Security  
Council resolution 1373 (2001)

Coping with terrorist threats at major events



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**Guest editor**  
**ALEX P. SCHMID**

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## NOTE FROM THE EDITORIAL BOARD

*Forum on Crime and Society* is a United Nations sales publication issued by the United Nations Office on Drugs and Crime, based at Vienna. It is published in the six official languages of the United Nations: Arabic, Chinese, English, French, Russian and Spanish.

The present issue of *Forum* is devoted to the theme of terrorism. It is the fifth issue of *Forum* to be published and widely distributed to a varied readership. The first issue (vol. 1, No. 1, February 2001) was devoted to the outcome of the Tenth United Nations Congress on the Prevention of Crime and the Treatment of Offenders, held in Vienna from 10 to 17 April 2000. The second issue (vol. 1, No. 2, December 2001) was devoted to the theme of organized crime. The third issue (vol. 2, No. 1, December 2002) dealt with corruption, while the fourth issue (vol. 3, Nos. 1 and 2, December 2003) focused on trends in crime.

*Forum* is available in English on the website of the United Nations Office on Drugs and Crime ([http://www.unodc.org/unodc/crime\\_cicp\\_publications\\_forum.html](http://www.unodc.org/unodc/crime_cicp_publications_forum.html)).

## GUIDELINES FOR THE SUBMISSION OF ARTICLES

The Editorial Board invites scholars and experts from around the world to contribute articles to *Forum* on criminological and socio-legal issues. Articles submitted for publication must be original, that is, they should not have been published elsewhere. The length of manuscripts to be considered for publication as articles in the first section of *Forum* should not exceed 6,000 words. Shorter papers and commentaries to appear in the second section of *Forum*, under the heading “Notes and action”, should not exceed 2,500 words in length. Manuscripts should be submitted in hard copy and, preferably, also in electronic format and be accompanied by the curriculum vitae of the author and an abstract.

Manuscripts should follow the Harvard system of referencing, whereby the author and year of publication of a work appear in the text and full details of the work cited are provided in a list of references. All manuscripts, reviews and correspondence should be addressed to the Managing Editor of *Forum*, Antoinette Al-Mulla, either by mail (United Nations Office on Drugs and Crime, Vienna International Centre, Wagramerstrasse 5, P.O. Box 500, 1400 Vienna, Austria), by e-mail ([Antoinette.Al-Mulla@unodc.org](mailto:Antoinette.Al-Mulla@unodc.org)) or by fax (+43-1) 26060-5298).



## PREFACE

*“By its very nature, terrorism is an assault on the fundamental principles of law, order, human rights and peaceful settlement of disputes upon which the United Nations is established.”*

*United Nations Secretary-General, Kofi Annan, 4 October 2002*

In October 2001, the Secretary-General established the Policy Working Group on the United Nations and Terrorism to identify the implications and broad policy dimensions of terrorism for the United Nations. Reporting to the Secretary-General in 2002 (A/57/273-S/2002/875, annex), the Working Group stated the following:

“Without attempting a comprehensive definition of terrorism, it would be useful to delineate some broad characteristics of the phenomenon. Terrorism is, in most cases, essentially a political act. It is meant to inflict dramatic and deadly injury on civilians and to create an atmosphere of fear, generally for a political or ideological (whether secular or religious) purpose. Terrorism is a criminal act, but it is more than mere criminality. To overcome the problem of terrorism it is necessary to understand its political nature as well as its basic criminality and psychology. The United Nations needs to address both sides of this equation.”

The United Nations Office on Drugs and Crime in Vienna is primarily concerned with the criminal justice aspects of terrorism. The articles in this issue of *Forum* therefore focus predominantly on the financial and criminal aspects of terrorism, but they also touch on some other issues related to prevention.

Of special concern are the links between terrorism and other forms of crime, especially illicit drug production and trafficking. This concern was also recognized by the Security Council in its resolution 1373 (2001) of 28 September 2001. Frank Bovenkerk and Bashir Abou Chakra address the issue of links between terrorism and organized crime on a conceptual level and present a number of questions to guide further analysis.

The disparity between the modest costs of a terrorist attack and the high costs of dealing with its consequences is a theme addressed by Richard Ward in his analysis of the economics of terrorism, focusing primarily on the costs of the aftermath of the attacks of 11 September 2001.

While much has been said about the need to suppress the financing of terrorism, empirical evidence of actual terrorist fund-raising has often been lacking. Loretta Napoleoni, the author of a major new study on the subject, offers fresh insights into what she terms the “new economy of terror”.

Alex Schmid's article entitled "Statistics on terrorism: the challenge of measuring global terrorism trends" looks at the issue of data in the field of terrorism studies and how those data enable us to discern emerging trends concerning the profiles and methods of terrorist groups.

A prerequisite to terrorism prevention is the ability to anticipate terrorist campaigns. Yet, can emerging terrorist threats be foreseen? The article by Matenia P. Sirseloudi on early detection of terrorist campaigns develops a conceptual framework and proposes a number of promising indicators for risk assessment that should be subject to further empirical statistical testing.

The five articles are followed by three notes. In the first note, Jean-Paul Laborde and Brigitte Strobels-Shaw provide a review of the counter-terrorism activities of the United Nations Office on Drugs and Crime and make recommendations on the way forward, describing the work of the Terrorism Prevention Branch of UNODC in Vienna. This is followed by a contribution from Walter Gehr, formerly spokesman of the Counter-Terrorism Committee's expert team, on the Counter-Terrorism Committee and Security Council resolution 1373 (2001). The final contribution, by Francesco Cappé and Stefano Betti covering an initiative taken by the United Nations Interregional Crime and Justice Research Institute (UNICRI) to enhance security at events such as the Olympic Games, which will be held in Turin in 2006, is entitled "Coping with terrorist threats at major events: outcome of UNICRI workshops".

All contributions to this issue of *Forum* on issues related to terrorism have been written in the personal capacity of the authors and do not represent official views or positions of the United Nations. The authors are solely responsible for their texts.



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# PART ONE

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## Articles



# TERRORISM AND ORGANIZED CRIME

by Frank Bovenkerk\* and Bashir Abou Chakra\*\*

## Abstract

Although analyses of organized crime and terrorism have long been conducted by different research communities, it was only in the 1980s, when illicit drug production and trafficking were found to be financing terrorist campaigns, that researchers began looking at both phenomena simultaneously. However, the nature of the relationship between the two has been a matter of controversy. While some authors see close links and even convergence, others are more sceptical, pointing to the fact that a relatively small sample of groups is constantly referred to and little in-depth investigation is done. The authors hold that painstaking empirical research should be the arbiter of the controversy. To settle the issue, they formulate 10 key questions that such research should explore.

## INTRODUCTION

Organized crime and terrorism are usually viewed as two different forms of crime. Organized crime is generally held to focus mainly on economic profit and on acquiring as much of an illegal market share as possible, while terrorism is said to be motivated chiefly by ideological aims and by a desire for political change. The word “terrorism” was not mentioned at all in Abadinsky’s handbook on *Organized Crime* [1], while Paul Wilkinson stated in *Political Terrorism*, “we shall exclude from our typology criminal terrorism, which can be defined as the systematic use of acts of terror for objectives of private material gain” [2]. As a result of this distinction made between organized crime and terrorism, two separate bodies of criminology literature have emerged. Research into each is funded by different programmes and information about each is taught in different courses. Whatever is discovered by crime investigation specialists who scrutinize both phenomena tends to be kept confidential and their knowledge and insights are not widely shared.

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## A hypothesis of convergence

In the last two decades, it has been suggested that there might be some links between the two phenomena, beginning with the use of the term “narco-terrorism” in the 1980s, when it was found that drug trafficking was also used to advance the political objectives of certain Governments and terrorist organizations. Terrorists were happy to seize any opportunity to call what they were doing political, wrote Rachel Ehrenfeld, while drug traffickers were always seen as purely criminal: “when the two combine, terrorist organizations derive benefits from the drug trade with no loss of status, and drug traffickers who have forged an alliance with terrorists become more formidable and gain in political clout” [3]. This notion has now been adopted by various authors. “Although they are distinct phenomena that should not be confused”, Alex Schmid wrote in an article on the topic, “there are links” and “there is some common ground” [4: 40-82].

In a number of books on both of these phenomena, references are also made to other forms of crime. In *Organized Crime*, Michael Lyman and Gary Potter devoted a special chapter to terrorism and noted that “political agendas and profit motivation may be concurrent variables in many acts of terrorism” [5]. In *The New Terrorism*, Walter Laqueur included an entire chapter about the cooperation between the two because “in some cases a symbiosis between terrorism and organized crime has occurred that did not exist before” [6].

On 28 September 2001, less than three weeks after the dramatic events of 11 September in New York and Washington, the Security Council of the United Nations adopted a wide-ranging resolution on counter-terrorism (Security Council resolution 1373 of 28 September 2001) in which it noted with concern the close connection between international terrorism and transnational organized crime, illicit drugs, money-laundering, illegal arms-trafficking, and illegal movement of nuclear, chemical, biological and other potentially deadly materials. Yet it remains unclear what exactly that “close connection” consists of and further research is warranted. In a conference paper, Alex Schmid suggested that there may be connections that take the form of associations, alliances, cooperation, confluence, convergence or symbiosis [7: 191]. Some analysts even suggested the theoretical possibility that in certain cases, terrorism could change into organized crime and vice versa [8, 9, 10]. Others even considered the possibility that terrorism and organized crime might totally converge and become one and the same [11: 22-24]. Tamara Makarenko makes an interesting classification effort by placing various types of convergence on a continuum, with organized

crime at one end and terrorism at the other [12]. This gives rise to the question: how do specific underground organizations move from one type to the other?

Authors often refer repeatedly to the same examples, such as the Revolutionary Armed Forces of Colombia (FARC), the Sendero Luminoso (Shining Path) in Peru, guerrilla fighters in Chechnya, the Abu Sayyaf group in the Philippines and the Islamic Movement of Uzbekistan. It is striking that most of them fail to provide a thorough empirical analysis of any of these cases and the evidence cited never goes much deeper than a good media account. This is not meant to belittle good journalism, but even good reporters may fail to ask the right analytical questions for lack of an adequate analytical framework.

Some specialists in organized crime or terrorism doubt that any clear connections between the two really exist. Mark Galeotti noted that “until now, fears of international alliances between terrorists and criminals have proven to be exaggerated” and Louise Shelley suggested that “the links between organized criminals and terrorists are much less frequent than the links between organized criminals and politicians” [7: 203, 197]. Robin Naylor found some examples of opportunistic alliances between the two [13: 56-57]. Indeed, some guerrilla organizations or some of their militants do resort to simple criminality. Yet upon closer inspection, some supposed alliances often prove to be merely ephemeral or, in the words of Naylor, “at the end of their cooperation the two groups usually end up on opposite sides of the barricades”. It is striking that most authors generally fail to present empirically founded analyses to prove their case. They are making little more than educated guesses.

Who is right? In the present article, it is intended first to survey the theoretical considerations presented by the supporters of the confluence or convergence thesis (those who see ever-closer links between the two phenomena or even a transformation from one to the other, a metamorphosis). It is not enough to demonstrate, as is generally done, that there are structural similarities between the two types of crime. It is also necessary to understand the mechanisms enabling them to work together. Second, the arguments of authors who deny the existence of any such connections (nexus) or do not feel they are significant will be addressed. This brings us to the question—if such links or mergers exist—of which of the two is likely to emerge in the long run as the dominant type. When it comes to combating this new phenomenon, the answer to this question is of prime importance. In a short final section, a number of central questions that should play a role in empirical research are presented.

## **Why links or even metamorphosis?**

A number of political and economic developments have brought terrorism and organized crime into each other's territory. There are also a number of clear structural similarities that would appear to make collaboration advantageous for both of them. In addition, both types of organization can be expected to attract the kind of personality types that reconcile the two types of criminal activities. These three groups of factors will be briefly addressed below.

First, there is the issue of globalization. In this era of accelerated global interaction, transnational organized crime and international terrorism are flourishing. There are thousands of criminal organizations and hundreds of terrorist ones in the world. Henner Hess, who has carried out research on terrorism and on the Mafia, remarked, "When I look back today at the time of the Red Brigades, the Baader-Meinhof gang, the Weathermen, the whole range of phenomena we studied as terrorism 20 years ago, I tend to become nostalgic ... most terrorism was rather provincial" [14]. Phil Williams and Roy Godson, writing about organized crime today and comparing it with the situation in the past, concluded that it "has reached levels in the post-cold war world that have surprised even close observers" [9: 311]. The world has opened up, borders have faded or are no longer as well guarded, the market is globalized, financial and commercial mergers and the deregulation of State intervention provide new opportunities, communication technology is presenting unanticipated new technological possibilities and large-scale migration across the globe has created new emigrant and refugee communities that can serve as recruitment bases and as hiding places [11: 22-24].

Authors such as Makarenko and Thamm who favour the convergence thesis note a similarity between people who commit crimes and people who throw bombs. Both have a common enemy: the State in general and its law enforcement agencies in particular. Both types of criminal tend to operate in secrecy, from the underworld, and might use the same or similar infrastructures for their activities and often the same networks of corruption and white-collar crime. Both might use the same type of tactics: they engage in cross-border smuggling, money-laundering, counterfeiting, kidnapping, extortion and various kinds of violence.

They cross paths and help or submit to one another, which makes them dependent on each other. Transnational organized crime can use the power apparatus of political crime to create the social and economic context that makes its profitable activities feasible. Terrorists, on the other hand, need



funding to push their own agendas. When terrorist groups are still small, they do not require many resources, but when they grow into insurgent or guerrilla groups that aspire to control a larger region, they have greater needs [13].

The end of the cold war, the existence of weak and even failed States, the rise of new surrogate or shadow States—these are only a few of the political changes that offer new opportunities for underworld organizations. The end of the cold war meant in many cases an end to the sponsoring of terrorist organizations by States in the bi-polar world of that time. Some organizations had no choice but to look for new sources of funding, which, in many cases, meant either engaging in organized crime activities themselves or in extorting money from criminal organizations and legitimate business via “revolutionary taxation” [4: 69].

Weak States characterized by limited State control easily fall prey to organized crime—Sicily and Colombia are the standard examples—but they can also be targeted by terrorists. Failed States in Africa (Sierra Leone, Somalia, Liberia) or Asia (Afghanistan) made it possible for organized crime to work with national kleptocrats or local warlords who plundered their countries’ diamonds, gold, tropical timber, exotic species of animals, and so forth. The distinction between terrorism and organized crime becomes obscured when warlords utilize terrorist methods as well.

New economic formations are emerging that take little notice of national borders. They follow their own logic of territorial development in the form of shadow States. One author terms them “surrogate sovereigns” [15], while another refers to them as “shell States” [16]. They are largely hidden from view and they provide some of the world’s unstable economies and marginal political regions with arms, mercenaries and luxury commodities. Configurations of this kind collaborate with ambitious political entrepreneurs who aspire to both economic power and political control.

Some of the structural similarities between organized crime groups and terrorist groups are indeed striking. Organized crime researchers often stress how few classical, large-scale pyramidal or bureaucratically organized groups still exist in today’s underworld. Studies of terrorism point out that cell structures and networks rather than big organizations are becoming the rule.

Yet the terms “organized crime” and “terrorism” refer to a range of very different criminal and political violence activities. On the one hand, there are groups that “organize” crime by means of private violence or the threat

thereof, their crime consisting mainly of organized extortion. Their role is to provide a safe environment for signing “business” contracts, to make sure that “agreements” are kept and that disputes between “business” partners are settled. They perform this role in places where the State partially or completely fails to guarantee contracts, such as Sicily [17] or the post-1989 Russian Federation [18, 19]. They are also active in areas where the State de facto withdraws its own influence (the sale of alcohol, drugs or pornography and providing premises for prostitution or gambling). This kind of organized crime dominates all the illegal and some of the legal activities in a certain territory, whether it is a country, a region or a neighbourhood, and tends to establish a monopoly position [20]. It may, as is the case with certain activities in the Russian Federation, take the form of a hierarchic organization.

There is also a different type of organized crime that is linked to the production, smuggling and sale of illegal goods and services: trafficking in drugs or arms, smuggling of people, trafficking in human beings, especially women, loan sharking, trading in exotic species of animals and tropical timber, dumping toxic waste, and so forth. Organizations that engage in these activities have no territorial aspirations and have every reason to stay out of the way of the authorities and their law enforcement agencies. Such commercial crime organizations are far more numerous than the branches of the Mafia, triads or Yakuza (which are predominantly examples of the first category). However, they are not stable and bureaucratically organized enterprises. They consist rather of networks of small and flexible groups of criminals or cells. This loose form of illegal business is functional in the competitive and changeable world of illegality, making its practitioners less visible to the law enforcement agencies [21].

Since there are so many categories of terrorist organizations, it is obviously hard to make any general statements about them. Though it is certainly true that all terrorist groups tend to frighten people by using extreme violence in their efforts to influence political developments, studies of specific terrorist groups and their activities tend to support the notion that differences among such groups are greater than the similarities [22]. Terrorists aspire to left-wing or right-wing political aims, they champion the cause of oppressed minorities, they are religiously motivated or pursue single issue goals (for example, the Animal Liberation Front and campaigns to close abortion clinics).

It is highly probable that the type of terrorism determines in part how it is organized and whether or not there is any collaboration with organized crime. The chance of cooperation with organized crime would seem to be

greater in the case of politically motivated terrorist organizations than, for example, with “crazy” groups. There are terrorist cells which operate in complete independence, but there are also terrorists who are (or who have been) supported or even totally organized by (foreign) Governments. One hypothesis could be that organized crime and terrorists work together more easily if and when they are supported, encouraged or helped in some way by a Government or parts of one, such as intelligence agencies.

One feature that terrorist organizations have in common with organized crime groups of the smuggling-organization variety mentioned above is that they do not always have stable and well-organized units; they are far more likely to consist of agglomerates of autonomous units. Authors such as V. Tishkov see a paradigm for the future in this type of “leaderless resistance” terrorist [23]. The majority of terrorist groups never get past the formative stage; the need to become better organized emerges only if they grow into insurgent groups or guerrilla armies.

There are bound to be differences in the forms of collaboration between these variants of organized crime and terrorism. One can assume that it is more profitable for terrorists to collaborate with production, smuggling and sales organizations than with organized crime of the type that organizes the underworld as a whole. And vice versa: it is more advantageous for organized crime to work with substantial organizations that really exert political influence than with the lone fanatic who attacks unexpectedly and only generates temporary panic.

To a certain extent, there is also a similarity in the type of person involved in the two types of crime. Both types of organization tend to recruit the majority of their members from the same reservoir of marginal segments of the population, which are subject to social, cultural or political frustration (strain theory). Both types of organization consist of people who are prepared to take risks, enjoy excitement and thrills and look down on the norms of regular society. There may be a division of labour here. Terrorist groups might bring forth leaders and the criminal underworld may produce people with the necessary operational and survival skills.

In addition, they have a major driving force in common: the yearning for power. In the first instance, this does not seem to be such a serious motivating factor. The prevailing image of the terrorist is one of a fanatic willing to sacrifice his or her life for a political ideal. If terrorists engage in suicide missions, they forfeit chances of exercising power in this world—at least for themselves (but not the group). The element of power does not often surface directly in the literature on the root causes of terrorism.

However, many terrorists, of course, go on living and do not risk their own lives needlessly. Their personal profiles often reveal how much they enjoy fame and power [24]. It is not without reason that so many terrorist movements are named after their charismatic leader. Michael Ignatieff posed the question of how terrorists account for the fact that, in the name of higher ideals, they violate fundamental human rights such as the right to life and the right to freedom [25]. He calls the ones whose true motivation is profit- and power-oriented “opportunistic nihilists”.<sup>\*</sup> The life stories of prominent contemporary terrorists such as Osama bin Laden or Ramzi Yousef show that many of them belong to this category, as do some of the leaders of the Colombian FARC, the Irish Republican Army and Abu Sayyaf [26]. It is also striking that many present-day political actors in Lebanon, who began their careers as militiamen, have also profited from drug cultivation; it has certainly strengthened their political positions [3].

The true value of the power theme has not yet been assessed in the field of organized crime either. In examining why people join the Mafia, the first rationale given is usually the desire to get rich. Yet after studying the testimonies of Italian turncoats, Letizia Paoli concluded that the thirst for power, especially local power, is probably always a more important driving force than the mere desire for wealth [27]. Organized crime leaders always claim to operate in secrecy and obey their own rule about keeping silent. Yet a good number of autobiographical gangster memoirs reveal how much they, too, enjoy fame and power [28].

Do such similarities make it easier to comprehend the connections and possible symbiosis? How can the phenomenon of terrorism becoming organized crime and vice versa be explained? When do rebels turn into criminals? Or criminals into rebels? These are once again questions to be addressed in detailed case studies, but in the present article a number of possibilities are suggested:

(a) In organized crime and terrorist movements, the leaders are frequently very prominent, in fact the groups are, as mentioned earlier, often named after their leader. What happens if the leader dies or goes to prison? Is it conceivable that the terrorist organization degenerates into a gang of robbers? This seems to have been the case with the group headed by the Uzbek rebel leader Juma Namangani, who is assumed to have perished in 2001, after which his gang went on randomly kidnapping for ransom;

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<sup>\*</sup>The original term was coined by Hermann Rauschnig in *Gespräche mit Hitler* (English title: *The Voices of Destruction*) (New York, Europa Verlag, 1940).

(b) What happens after insurgent terrorists lose the justification for their existence because the authorities have settled the political issue they focused on? They might have become so accustomed to a certain lifestyle that they cannot give it up. Perhaps they have taken too much of a liking to exerting the kind of violence that is typical of terrorism. This appears to be one of the greatest obstacles facing Colombian presidents seeking a peaceful solution to the problem of terrorism. Rebel armies like FARC and the National Liberation Army have built a life for themselves based on extorting protection money from drug lords and kidnapping for ransom. Some sections of such armies may even have developed into drug trafficking organizations themselves;

(c) What happens to a Mafia family in dire straits because of the authorities' success in combating organized crime? Drug baron Pablo Escobar had no qualms about murdering politicians, judges, policemen and even journalists or intimidating them with techniques from the terrorists' repertoire. The Italian Mafia has also tried to intimidate the authorities and keep anti-Mafia legislation from being passed by exploding car bombs at public buildings such as the Uffizi Gallery in Florence. Some crime theorists suggest that creating a general state of fear of terrorism promotes the advancement of organized crime. This is plausible, but is it really true?;

(d) There is also the possibility of widespread degeneration in the event of a lengthy armed conflict. A civil war "may create a generation whose only skills, at what should be their peak productive years, are military; they therefore turn easily to criminal activity for survival even after the conflict winds down" [13: 82]. If this is true, the future looks bleak for countries such as Liberia and Sierra Leone, since so many children have become accustomed to soldiering and looting.

### **Opposite views on a possible nexus**

In his report before the United States of America House of Representatives Committee on the Judiciary, Subcommittee on Crime, Frank J. Cilluffo stated that "organized crime and terrorism have two different goals. Organized crime's business is business. The less attention brought to their lucrative enterprises the better. The goal of terrorism is the opposite. A wide-ranging public profile is often the desired effect. Despite this, the links between organized crime and terrorism are becoming stronger in regard to the drug trade" [29].

The division between the two is not based on the crimes committed, since they are partly the same, but on the reasons motivating the offenders.

In the previous section, it was noted that both types of organization recruited their members from frustrated segments of the population. Yet there is an important difference: individuals who participate in organized crime often come from the lower socio-economic classes, while it is not unusual for terrorists to be from the middle class. This difference is not insignificant. There are persons among terrorists, brainwashed or not, who are solely driven by ideological principles and a political conviction. For them, terrorism is a way to force the authorities around the world to give in to their political, economic and social demands. They are not fond of the idea of collaborating with criminals in the traditional sense of the word, since this would bring with it the real risk of losing political credibility. In public at least, they downplay any involvement with criminals. Terrorists strive for an increased political following and look often to the courtroom as a place to convince the world of the justness of their causes [4: 66].

To real career criminals, the conduct of politically motivated terrorists appears incomprehensible, if not downright “weird”. Why would anyone take such extreme risks without any prospect of getting rich in the end? Who would want to openly confront the authorities instead of evading or corrupting them? Is it not much more sensible to keep illegal activities as low-key and hidden as possible? Is it not foolish to draw attention to yourself by using disproportionate violence? The opportunities for organized crime are largely based on the idea of exploiting the existing imperfections in the economic and moral system of the State (the prohibition of certain substances such as drugs, the shortage of cheap legal workers, the high costs of processing waste, and so forth). Viewed from this perspective, organized crime is conservative. Solving social and political problems would put it out of business.

It is often surprising how easily ideological differences can be settled in the underworld. Ultranationalist Turks united in the Grey Wolves and Kurdish activists who joined forces in the Kurdistan Workers’ Party were publicly each other’s fiercest enemies in Turkey, as well as in the European and American diaspora. Yet when it comes to smuggling heroin or people, the underworld is only too happy to work together [30]. In Lebanon, all political rivals, whether Christian, Sunni, Shiite, Muslim or Druze, profited from the drug trade. War between ideologies stops, as it were, at the edge of cannabis and poppy fields. There are many more examples of this kind. This mainly holds true of the leaders in both realms. They might come from different social backgrounds, but the common desire for power and the personal wealth that goes with it can easily steer the collaboration in the direction of predominantly organized crime.

Painstaking empirical research should be the ultimate arbiter of the issue discussed here. After weighing the arguments for and against the convergence hypothesis, the present authors tend to find the first more convincing. If one had to speculate which of the two types of underground organization was likely to become dominant and outlast the other, an educated guess would be that it was less probable that Mafia dons would convert to terrorism than that terrorists would settle for the better life of real criminals. When it comes to exposure to temptation, in the long run greed tends to be stronger than ideology. The newly emerging hybrid group of “organized criminal terrorists” is likely to be a group of individuals who sponsor, support, and/or actively engage in terrorist activity in order to promote their own personal interests, striving to acquire more power and wealth. Organized crime, in this perspective, would be the outcome of any merger that might take place. Whether this speculative thesis is borne out by present and future developments ought to be the subject of investigation.

## **A research agenda**

In the present article, the authors have emphasized the need for empirical research into possible links between terrorists and criminals, agreeing with George Andreopoulos, who postulated that “individual cases rather than a series of abstract assumptions can credibly constitute the building blocks of theory formation” [31]. In the view of the authors, in all the cases where there is a known or plausible collaboration between terrorists and organized crime, the following 10 questions, based on the preliminary analysis offered here, might be helpful as guidelines for further research:

1. Under what political constellations do these forms of collaboration emerge?
2. Which types of organized crime can easily go together with which variants of terrorism? And which types are less compatible?
3. Is there evidence of intervention by national or foreign authorities regarding the promotion of a collaboration process?
4. Which structural features possessed by such organizations point towards convergence?
5. Which types of alliance and convergence occur most frequently?

6. What exactly is their collaboration based on? What do the two organizations exploit in each other?
7. How are differences in value orientations and class backgrounds of conventional criminals and terrorists resolved?
8. Is there evidence of a clear resemblance in how they strive for power?
9. Is all organized crime strictly centred around profit-making or are there exceptions where certain activities serve to acquire political spoils or gains?
10. Which element is dominant in the long run, the political ideological motivation or the criminal material one?

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# THE ECONOMICS OF TERRORISM

by Richard H. Ward\*

## Abstract

The impact of the 11 September 2001 attacks on the United States of America has reverberated through the global economy. The costs of terrorism throughout the world amount to hundreds of billions of dollars, ranging from the loss of income-producing family members and economic losses due to joblessness to monumental costs in security requirements, government redeployment of funds and losses to private business enterprises. The costs are measured not only in financial terms, but also in their impact on the government and private sectors of countries throughout the world.

## INTRODUCTION

The attacks on the World Trade Center and the Pentagon in the United States of America on 11 September 2001 served to emphasize to the world the human and economic costs associated with terrorist acts of violence. And, while terrorism is certainly not a new phenomenon, the gravity of the 11 September 2001 attacks vividly illustrates the impact that terrorism has on the global economy. The present article addresses that economic impact on several areas.

The costs are measured not only in financial terms and human suffering, but also in their impact on the government and private sectors of countries throughout the world. The present article focuses on the costs associated with the attack on the World Trade Center rather than those relating to the attack on the Pentagon because the latter were not available at the time of writing.

Radical violent attacks can be attributed to individuals and groups whose goals are as varied as the countries that are attacked. Terrorism is often

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blamed on religious or cultural differences. Many people in the West view Islam as a sponsor of violence; many Muslims view the West, and especially the United States, as the root cause of many of the world's problems. These are both unfortunate misconceptions. Extremist religious beliefs and cultural differences may, indeed, be motivating factors for some terrorists; differing political and ideological convictions may motivate others. There is no single motivating cause.

For a variety of reasons, terrorism has become the choice of disaffected and disenfranchised individuals who would use violence to achieve a political or social goal. Historically, extremist movements have had little success in most countries, although the lives lost directly or indirectly through terrorism number in the hundreds of thousands. Unfortunately, as the world has moved rapidly to a global economy in the past 50 years and as the methods of terrorism have become more sophisticated, ranging from mass murder and the threat of weapons of mass destruction to so-called cyberterrorism, no country is immune to the threat and impact of this form of political violence.

One can debate the causes and injustices that have led groups to choose the bomb as a means to rectify grievances, many of which are legitimate. However, ultimately, those most likely to suffer as a result of terrorism are innocent citizens and civil servants—the vast majority of the world's population who want nothing more than to live in peace and pursue goals related to self-actualization and a better life for themselves and their families.

The costs of terrorism throughout the world amount to billions in various currencies, ranging from the loss of income-producing family members and economic losses resulting from joblessness to monumental costs in security requirements, government redeployment of funds and losses to private business enterprises.

Given the escalating threat of terrorism throughout the world, what are the economic consequences that we all face in the context of a global economy?

### **The scope of the problem**

Definitions of terrorism vary, but most experts agree that it involves the use of force or the fear of force to achieve a political end. Over the past 50 years, terrorism has been an ongoing problem in many countries, includ-

ing in the United States. Early in that period, terrorist activities were mostly domestic, involving a single country or at most two countries. Beginning in the 1980s and throughout the 1990s, terrorism increasingly became more international, and while assassination and bombing continued to be the primary tactics of terrorist groups, violence and loss of life in individual attacks escalated, with civilians becoming primary targets.

The twentieth century was the most dynamic century in the history of mankind; more things changed with respect to daily living in those 100 years than in any previous century of man's existence. The changes in communication alone were phenomenal: in 1900, most people relied upon face-to-face conversation or the written word to communicate. A hundred years later, in many countries even children regularly carried cell phones and used the Internet on a daily basis. Nowadays, televisions can be carried in the hand and powerful radios can fit into a pocket. In transportation, the horse and train have been replaced by the car, which can travel on almost any hard surface. In a few hours people can fly to places that would have taken a week to reach a century ago. Weapons have become sophisticated, commonplace and capable of causing horrific damage. The attacks on the World Trade Center and the Pentagon are ominous examples of the way in which terrorists can turn everyday objects into means of conducting a terrorist attack [1].

In the United States, domestic terrorism is mainly related to individual groups focused on single-issue movements such as those concerned with animal protection, ecology and the environment, abortion and opposition to government. The largest domestic attack occurred in 1995, when 168 people died in the bombing of the Murrah Federal Building in Oklahoma City.

International terrorism affecting the United States has mainly involved attacks on United States facilities and companies in other countries. Although a number of international-related attacks have occurred on United States territory, in which individuals or groups from other countries were victims of terrorism, the bombing of the World Trade Center in New York in 1993 was the first major international terrorist attack against American citizens on American soil.

During the 1990s, violence increased throughout the world and more terrorist groups began to operate across borders. In 1999, there were more than 150 international terrorist attacks [2]. The Muslim world was not immune. During the 1990s, conflicts in Egypt, Iraq, the Russian Federation (Chechnya) and the former Yugoslavia (Bosnia and Herzegovina, Kosovo

and Sandzak) resulted in growing economic problems and the displacement of hundreds of thousands of people. Throughout this period, the Israeli-Palestinian conflict continued to draw international attention.

In Africa and Europe, terrorism also increased, with most conflicts having separatist, ethnic or religious motives. India and Sri Lanka saw a growing number of terrorist incidents. In South America, terrorism was fuelled by the drug trade, giving rise to the term “narco-terrorism”.

The costs of terrorism to various industries have been mounting over the years and can be staggering: they include direct economic losses due to property destruction, extortion payments, theft and sabotage. In addition, there are increased costs due to higher insurance premiums, additional security staff, reinforcement of facilities and hiring security consultants [3: 227].

Today we face a world enmeshed in violence and the threat of weapons of mass destruction looms on the horizon. The attacks of 11 September 2001 further increased the threat, illustrating the vulnerability not only of the United States, but of any modern country. The use as weapons of aircraft commandeered with nothing more than box-cutters provided a new script for terrorists. In addition, the anthrax episode that followed the attacks of September 2001 in the United States, while killing fewer than half a dozen people, demonstrated the vulnerability of open societies.

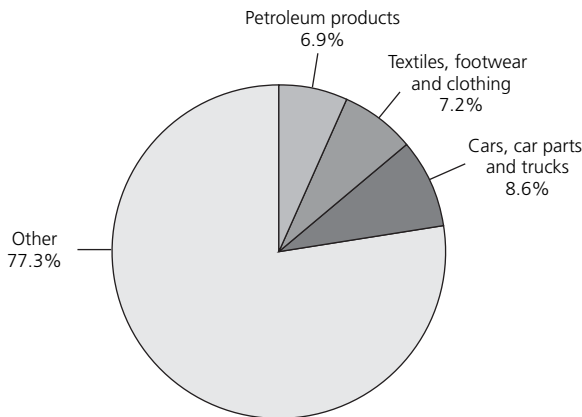
Since the early 1980s, many in the scientific community have expressed concern about the threat of a biological attack. The Government of the United States has spent hundreds of millions of dollars assessing various threats and immunization strategies in response to them. The cost of vaccinating United States military personnel and those of its allies is high, but following the post-11 September 2001 anthrax attacks, the vulnerability of citizens came into focus. Conducting research and creating enough vaccines to handle only the threats from anthrax and smallpox (a disease that was virtually eliminated in the late 1970s) has involved hundreds of millions of dollars. In 1999, President Clinton budgeted \$10 billion to defend the United States against terrorism and this appropriation has increased significantly in today’s environment [4].

The impact of terrorism on other countries is also significant. The total cost to the world is difficult to assess, but probably amounts to several hundreds of billions of dollars; the loss of life resulting directly and indirectly from terrorism has also been substantial. The cost of terrorism to security forces and private companies is just beginning to be measured.

## The economic dimension

The world economy today reaches into almost every corner of the planet. “Most of what we eat, drink, wear, drive, smoke, and watch is the product of firms that are now global in their operations” [5: 1]. The main goods that are traded across borders include cars and car parts, trucks, petroleum products, textiles, footwear and clothing (see figure I).

**Figure I. Percentage of goods traded on the global market**



Source: Sarah Anderson, John Cavanagh and Thea Lee, *Field Guide to the Global Economy* (New York, New Press, 2000).

In addition, service-related activities such as tourism, communications, computer support, advertising, legal services and entertainment make up a major part of the global economic environment [5: 13-14].

According to a study released by the New York City Partnership [6], the losses to the New York economy resulting from the attacks of 11 September 2001 could exceed \$83 billion. Even after the payment of insurance claims, the remaining losses could still be over \$16 billion and potentially much higher, depending on the performance of the total United States economy. In the city of New York alone, in the fourth quarter of 2001, 125,000 jobs were lost and at least 57,000 of them were predicted to stay lost until the end of 2003. The area of lower Manhattan lost 30 per cent of its office space, putting at risk the remaining 270,000 jobs in the area. The study shows that the hardest-hit sectors were retail and financial services and tourism, and the ripple effect is tremendous. Just one example of the costs of the attacks in the United States was the cost to the Rhode Island seafood industry of some \$100 million [7].

Even today, there is still uncertainty in the insurance industry over the issue of terrorism insurance. Estimates of the claims paid by insurers as a result of the attacks on the World Trade Center are about \$50 billion, of which reinsurers are ultimately expected to pay approximately two thirds. Another such terrorist event of a similar magnitude could have even more severe economic consequences, such as more bankruptcies, layoffs and loan defaults [8]. Lloyd's of London estimated its exposure at \$2.7 billion, 45 per cent more than it had initially estimated. To offset this cost, Lloyd's chairman said that premium costs would increase by 40 per cent [9].

Measuring the costs of terrorism requires going far beyond financial considerations, but for the purposes of the present article, the emphasis will be placed on monetary costs.\* The list of financial costs resulting from a terrorist attack is lengthy. Some of those costs are listed in the table.

The economic costs of terrorism are global. A study of the economic costs of terrorism to airlines and tourism in a number of countries in 1985 and 1986 by the economist Harvey J. Iglarsh found the following costs resulting from terrorist attacks in the Mediterranean basin areas [10: 46-47]:

- (a) Greece lost an estimated \$100 million in tourism revenue in 1985;
- (b) Italy reported revenue lost to businesses of an estimated \$800 million in 1986;
- (c) Egypt reported an estimated loss to tourism of half a billion dollars in 1986.

A longitudinal study of terrorism's impact on tourism in Spain from 1970 to 1988 found that a terrorist attack could "scare away approximately 140,000 tourists when all monthly impacts are aggregated".\*\*

In the short term, some of the worst sufferers from a global downturn will, as ever, be those who can least afford it. The countries that are accused of supporting terrorism are often among the poorest in the world. A large

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\*The costs in terms of human suffering, loss of life, impact on family and friends, lost opportunities because of shifting priorities, long-term psychological and sociological effects on whole societies, the impact on Government decisions and the burdens placed on public security forces cannot be accurately measured.

\*\*These costs are based on estimates reported by international media sources, organizations and Governments and are illustrative in nature. Ascertaining actual costs is likely to take many years [11].



**Table 1. Estimated economic costs of the attacks on the World Trade Center, New York City, of 11 September 2001***(Billions of United States dollars)*

Individual and family	7.8 <sup>a</sup>
Wage-earner losses, New York City	3.4 <sup>b</sup>
Insurance costs	30-50 <sup>c</sup>
Travel-related losses, especially air travel	7 <sup>d</sup>
Losses to tourism	
New York City: hotel and private business losses	3.5 <sup>e</sup>
New York City: financial services	4.2 <sup>f</sup>
New York City: retail	7.6 <sup>g</sup>
Increased security costs	10 <sup>h</sup>
Facilities and equipment	
New York City: physical capital losses	21.6 <sup>i</sup>
New York City: clean-up	14 <sup>j</sup>
New York City: economic (taxes)	16 <sup>k</sup>
Infrastructure costs	3.7 <sup>l</sup>
New York City tax-revenue losses 2002-2003	3 <sup>m</sup>
Government "bail-out" (airlines)	15 <sup>n</sup>
<b>Total</b>	<b>146.8-166.8</b>

<sup>a</sup>By using a "lifetime earning cost" estimate, which estimates individual economic losses—adding up a worker's pre-tax annual income from the year of death to the year that he or she had expected to retire, the Federal Reserve Bank of New York determined this figure to be \$7.8 billion or approximately \$2.8 million per victim (Jason Bram, James Orr and Carol Rapaport, "Measuring the effects of the September 11 attack on New York City", Federal Reserve Bank of New York, *Economic Policy Review*, vol. 8, No. 2 (2002)).

<sup>b</sup>An estimated 125,000 jobs were lost in New York City alone after 11 September 2001: 125,000 x \$2,500 = \$312,500,000 monthly losses. Of those jobs lost in New York City alone, 57,000 were expected to remain lost until the end of 2003: 57,000 x \$2,500 = \$142,500,000 per month x 24 months = \$3,420,000,000 in lost wages (New York City Partnership, *Economic Impact Analysis of the September 11th Attack on New York*, executive summary (New York, 2001)).

<sup>c</sup>An original estimate of \$16.6 billion losses in insured property was made in March 2002, but this estimate was quite limited in its scope and was revised in November 2002 by the United States insurance industry trade organization Insurance Services Office. The true costs will remain largely unknown until actuarial issues are resolved in measuring insurance claims related to the World Trade Center attack (Insurance Services Office, press release, 25 November 2002).

<sup>d</sup>"The World in 2002", *Economist*, 2002.

<sup>e</sup>Estimate of fourth quarter losses in 2001 (*Economic Impact Analysis*).

<sup>f</sup>Ibid.

<sup>g</sup>Ibid.

<sup>h</sup>United States Government legislation.

<sup>i</sup>Clean-up and site restoration: \$1.5 billion; destroyed buildings in World Trade Center complex (approx. 14 million sq. ft.): \$6.7 billion; book value of towers: \$3.5 billion; damaged buildings in World Trade Center area (approx. 15 million sq. ft.): \$4.5 billion; contents of buildings in World Trade Center complex: \$5.2 billion.

<sup>j</sup>Estimate of fourth quarter losses in 2001 (*Economic Impact Analysis*).

<sup>k</sup>Ibid.

<sup>l</sup>Public infrastructure costs: underground railway: \$850 million; path: \$550 million; utilities: \$2.3 billion (Measuring effects of September 11 attack).

<sup>m</sup>Government Accounting Office, Review of the estimates for the impact of the September 11, 2001 terrorist attacks on New York tax revenues, 26 July 2002.

<sup>n</sup>"World in 2002".

part of Afghanistan's problem is that it is not a participant in the global economy and its former Taliban rulers took it back into the dark ages, intellectually and economically. Although other poor countries have enjoyed some economic growth through growing participation in the global economy, a downturn will not only prejudice their economic prospects, but also imperil their political stability [12].

The tragedy of 11 September 2001 is perhaps most illustrative of global economic costs because it has received worldwide media coverage, but elsewhere terrorism also takes a significant economic toll.

Terrorist attacks in countries other than the United States have generally not led to a comparable search for causes and consequences. The costs to airlines throughout the world post-11 September 2001 was staggering: a total of 3,000 airline employees lost their jobs in Canada, and airlines in Belgium, Canada and Switzerland were forced into bankruptcy [13]. An airport executive estimated that airports were expected to lose more than \$2 billion in revenues and incur more than \$1 billion in additional security costs in the 12 months following the attacks [14]. The government of the Canadian province of Manitoba had to establish an advisory council to coordinate marketing between the public and private sectors in a variety of tourism interests to stop the industry's losses from spiralling out of control [15]. In the United States, the unemployment rate reached its highest point in 20 years. An estimated 9 million hotel and tourism workers were expected to lose their jobs, according to another report [16]. The International Labour Organization estimated that "24 million people worldwide could be fired" [17]. A nationwide study conducted by the Milken Institute tied the 11 September attacks to 1.8 million job cuts by the end of 2002 [18].

World Bank President James Wolfensohn estimated that tens of thousands of children would die "and some 10 million people [were] likely to be living below the poverty line of one [United States] dollar per day because of the attacks" [19]. Closer to the Middle East, the Organization of Petroleum Exporting Countries (OPEC) cut its oil output significantly and was forced to reduce the price per barrel in the first two months after the attacks of 11 September 2001, largely because of the reduction in fuel use resulting from airline cutbacks [20]. OPEC members warned of the threat of a "price war" among the world's oil exporters if they could not agree on production caps.\* Add to this the possible costs of

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\*In the end, the Iraq crisis kept prices up [21].

an attack on global communication networks. “The growing concern in the United States and elsewhere regarding the potential for information attacks against critical information structures needs to be addressed in light of both past experience and new conditions” [22]. More than a trillion dollars a day moves electronically through financial institutions around the world [23].

## **Financing terrorism**

As world business leaders moved to cope with a global economic recession, fuelled in large part by the attacks of 11 September 2001, Government leaders and global organizations moved to cut off the financing of terrorist groups. The United Nations Security Council, the Financial Action Task Force on Money Laundering of the Organization for Economic Cooperation and Development, and the International Monetary Fund play an important role in this [24].

The financing of terrorism takes many forms and represents an economic structure that has many of the same characteristics as international organized crime. Despite the passage of new laws regarding money-laundering in several countries, the ability to investigate such transactions is limited at best. Terrorist and organized crime activities represent a minute—and therefore hard to detect—portion of the trillions of dollars in the global banking systems.

The cost of maintaining a terrorist network and, in particular, the cost of carrying out a terrorist attack, is relatively small. Admittedly, a well-organized and financed group may spend millions of dollars, but even this is insignificant in comparison with the cost of combating terrorism. A primary concern, however, is the threat of weapons of mass destruction, which do generally involve higher developmental and training costs. In this regard, the involvement of State-sponsored or -supported terrorism is an important consideration.

Major sources of income for terrorist groups are organized crime and the trafficking of weapons and drugs. The United Nations estimates that the drug trade involves about \$400 billion a year, and the trade in light weapons has increased significantly following the end of the cold war [5: 14]. Terrorist groups in Colombia and Peru, for example, are funded in part by drug trafficking, and the drug trade supports groups in the Middle and Far East.

Where a terrorist group reaches the stage at which its finances go beyond support for a small group of individuals—usually volunteers who may hold regular jobs—and has had some success in carrying out attacks, the need for funding increases [5: 130]. Organizations must raise funds to purchase the materials or weapons necessary for their innovative activities and gain access to the knowledge to put those materials to work. As a result, terrorist groups that are financially secure have a distinct advantage [25].

For most groups, funding will come from one or more sources usually related to:

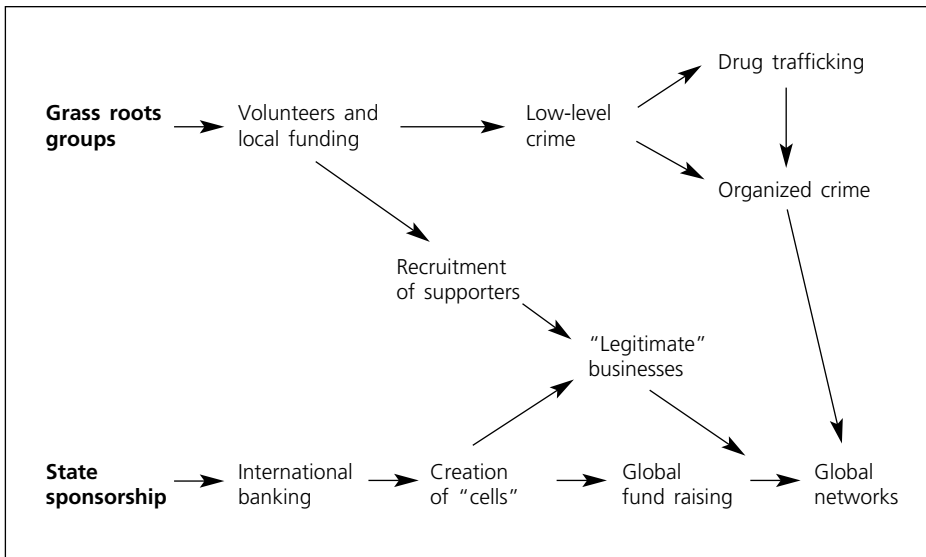
- (a) State sponsorship;
- (b) Global fund-raising;
- (c) Legitimate business enterprises;
- (d) Drug trafficking;
- (e) Local fund-raising;
- (f) Common criminal activity (robbery, swindles).

With the exception of local fund-raising and common criminal activity, the use of banks to launder and transfer funds is not unusual. A classic case is that of the Provisional Irish Republican Army, which, especially in the 1970s, drew much of its funding from donations in the United States, usually through front groups. When Government and public pressure was successful in curtailing this funding, the organization moved into small-time criminal activity such as smuggling, protection, extortion and fraud. By threatening taxi and bus companies, Irish terrorists were successful in operating their own taxi and bus companies, raising millions of dollars [26].

Over the past decade, terrorist groups have increasingly moved into the drug trade to finance operations. Such has been the case in Peru with the Sendero Luminoso (Shining Path); in Colombia with the Movimiento 19 de Abril (M-19) and Revolutionary Armed Forces of Colombia (FARC); in Myanmar with the Karen National Union; and in Sri Lanka with the Liberation Tigers of Tamil Eelam. Allegations of involvement in drug trafficking have also been made against groups in Afghanistan, which is the largest opium-producing country in the world, and Bosnia and

Herzegovina. Dishman contends that most of these groups do not affiliate with organized crime entities, but develop their own criminal networks [26] (see figure II).

**Figure II. The evolution of international terrorist funding**



State sponsorship of terrorist organizations generally takes one of two forms: the establishment of an organization or an agreement to support an existing movement by a rogue State. In either case, the sponsoring State is capable of providing funding, as well as technical resources, training and sophisticated weapons. Since the end of the cold war, State sponsorship of terrorist activities has shifted from Europe to several countries in Africa and the Middle East. Despite this decline in State sponsorship of terrorism, a growing number of individuals and loosely tied groups who oppose globalization have become a source of major concern.

The declaration of a "war against terrorism" by United States President George Walker Bush following the attacks of 11 September 2001 also marked the beginning of a major change in the foreign policy towards the threat of terrorism of numerous other Governments. Although the current focus is on the Al-Qaida network, the international and domestic campaigns have a much broader scope and are already part of a larger cooperative effort conducted with other countries to combat all forms of terrorism. A primary focus is on the funding mechanisms of terrorist groups.

## Summary and conclusions

The events of 11 September 2001 may be seen as the catalyst for a global effort to combat terrorism in its many forms. A United Kingdom Government paper calculated the economic costs of those events at \$500 billion [27]. However, economic costs are but one measure; it is impossible to measure the psychological and emotional toll or the impact of terrorism on the political stability of many countries.

The economic costs are not limited to a single country; they affect developing as well as developed countries. The costs of terrorism cannot be measured directly as a result of a single act or group and the major costs may well be in the indirect and lasting effects on the lives of ordinary citizens who lose family and jobs or find their quality of life diminished.

Although terrorism is not a new phenomenon, the advent of new weapons, new tactics and different targets has increased the threat. No country can succeed alone in mounting a counter-terrorism effort, for we live today in an interdependent world community. Ultimately, the only hope of success in reducing terrorism lies in cooperation among countries and international organizations involved in fighting terrorism.

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# THE NEW ECONOMY OF TERROR: HOW TERRORISM IS FINANCED

by Loretta Napoleoni\*

## Abstract

Over the last 50 years, armed insurgent groups have managed to build their own economy, the new economy of terror. This economic system was born during the cold war years, when war by proxies blossomed along the periphery of the two blocks, and grew considerably during the privatization of terrorism, when armed groups developed strategies for self-financing. In recent years, the globalization of the world economy has provided a new impetus; modern terror groups are able to fund themselves with a wide range of legal and illegal business activities. The merging of the new economy of terror with the world's illegal and criminal economy has created a fast-growing economic giant, whose yearly turnover is US\$ 1.5 trillion, twice the gross domestic product of the United Kingdom of Great Britain and Northern Ireland. This river of dirty money is primarily recycled inside Western economies and is a constant threat to the security and stability of the Western economic system. A vital step in the war against terror ought to be severing the interdependencies between the new economy of terror and the traditional legitimate world economies.

## INTRODUCTION

Armed insurgent groups are often compared to criminal business organizations. Al-Qaida, for example, has been described as a “multinational of terror”. Since 11 September 2001, academics and investigators have frequently applied an organized crime model to study the structure and functioning of Islamist terror groups [1]. Although widely accepted, this approach limits the study of political violence. From the analysis of the economics of terrorism, it emerges that armed groups generally have motivations different from those of criminal organizations. They also tend to interact with each other in the manner of a State. At least in the domain

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of economics, their modus operandi is closer to that of a State than to that of organized crime groups. Proof of this assertion is that, over the last 20 years, armed organizations have been able to create durable economic linkages, which have in turn become the foundation of a more comprehensive economic system: the new economy of terror.\* This peculiar economy—the monetary lifeline of modern terrorism—bridges the legal and illegal international economies.

The present article reviews the main components of the economic system built by and around the interactions of terrorist organizations with each other and with criminal and legitimate organizations or States, analysing, in the first instance, the various sources of revenues at the disposal of terrorist groups, then focusing on the functioning and size of the international illegal economy, of which the new economy of terror is an integral part.

### **Criminal versus terror organizations**

A crucial distinction between ordinary organized crime and political terrorism springs from the differing motivations of the two phenomena, which dictate the way both run their respective businesses. Greed is the motor of crime and accumulation is its primary accountancy rule. Thus, criminal organizations operate very much like legitimate private corporations, the ultimate goal being profit and accumulation. Their monetary flows are, therefore, managed through an accountancy system regulated by balance sheets, as in corporate enterprises. Terror groups, however, are politically motivated. Thus, their ultimate aim is not monetary but political: to substitute one form of government with another, for example, the replacement of the Al Saud regime in Saudi Arabia with Osama bin Laden's new caliphate, or to defend an existing regime, as was the case of the Taliban in Afghanistan until coalition forces invaded the country.

In contrast to organized crime groups, terrorist organizations are more interested in money disbursement than in money-laundering. Revenues generated by their legitimate businesses, for example, do not need to be laundered; they need to be distributed within the network of cells and

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\*This economic system is an outcome of the evolution of political violence during the last half century: from State-sponsored terrorism to the privatization of terror and the birth of shell States. The modern jihad is the primary engine of the new economy of terror. The use of the term "terror" instead of "terrorism" serves here to distinguish between the political and economic analysis of this phenomenon.

sleepers around the world. For this reason, some groups have, in recent years, paid a great deal of attention to money manipulation, that is, moving large sums without being detected [2], a task performed by an international web of subsidiaries and correspondent banks of certain banking institutions and by other monetary means, such as the hawala system.

## Sources of income of major terrorist organizations

The main inflows of the balance of payments of armed organizations can be divided into three main categories according to their origins: (a) legitimate business (these are activities which per se are not considered illegal); (b) illegal revenues which break or circumvent legal obligations; and (c) criminal activities. Legitimate business includes profits from companies controlled by armed groups—the Egyptian Islamic Jihad, for example, owned several honey shops in the Middle East—and donations from charities and individuals. Illegal revenues originate from the diversion of legal funds, but also include covert aid from foreign Governments. The range of criminal activities is broad; these represent the largest single source of income for the terror balance of payments and include revenues from kidnapping, extortion, theft, fraud, piracy, smuggling and money-laundering.

### Legitimate revenues

An important inflow in the balance of payments of terror groups is represented by the remittances of nationals residing abroad, effected either directly or via ad hoc institutions such as the Irish Northern Aid Committee (Noraid) in the case of the Provisional Irish Republican Army (IRA). The Palestine Liberation Organization imposes a 5 per cent tax on the income of all Palestinians living abroad. In a similar fashion, in the late 1990s, Albanian immigrants in Germany and Switzerland donated 3 per cent of their income to fund Kosovo Liberation Army (KLA) fighters in Kosovo.

Although such remittances represent a major source of foreign exchange, immigrants' contributions do not come only in the form of cash. During the war in Kosovo, Albanian-Americans provided KLA fighters with radios, night-vision equipment and bullet-proof vests bought from an American mail-order catalogue. Such contributions are often not technically illegal, as national laws frequently do not distinguish between legitimate remittances and sponsorship of armed groups. In the United States of America,

for example, until recently, people could collect “donations for rebel organizations, groups or armies, nor [was it] a crime for an individual or group to join [them]—except when such an organization, group or ‘army’ [was] on the list of terrorist groups and organizations prepared by the State Department” [3]. This list appears to vary according to the fluctuations of United States foreign policy. In recent years, for example, KLA has been added to, and removed from it, twice.\*

Personal donations play a big role in terrorist revenues all over the world. In April 2002, the Bosnian police handed over to the United States Justice Department a report entitled “Golden chain link”. The document was found during a raid on an Al-Qaida safe house in Bosnia-Herzegovina and listed the names of the 20 top financial backers of terrorism [6]. Among the alleged “terror-sponsors” listed were some of the wealthiest and most powerful men in the world. It reportedly included, for instance, one of the Saudi king’s brothers-in-law who, according to *Forbes Magazine*, is the one hundred and thirty-seventh richest man in the world, with a fortune worth \$4 billion. In 1981, this Saudi magnate founded the Dallah al-Baraka holding group, a banking empire with 23 branches and several investment companies scattered across 15 countries. Also listed in the report are the chairman of the International Islamic Relief Organization, the Saudi charity linked to Osama bin Laden, and president of the First Islamic Investment Bank; and a brother-in-law of Osama bin Laden, former owner of the Saudi National Commercial Bank, a man whom *Forbes* considers the two hundred and fifty-first richest man in the world, with a fortune worth \$1.9 billion, and former head of Saudi Aramco and ex-Saudi oil minister.

## Charities

Another relevant source of foreign exchange for the financing of terrorism is represented by charitable donations. This is not a new phenomenon. The link between charities and terrorist organizations goes back to the 1970s, when Irish-Americans set up charities for Catholic widows and orphans in Northern Ireland and used the funds to support the Provisional IRA. Islamic charities blossomed in the 1980s, during the anti-Soviet jihad.

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\*Only a few months after Senator Joe Lieberman had praised it, stating: “Fighting for the KLA is fighting for human rights and American values”, the Kosovo Liberation Army was reinstated in the United States Department of State list of terrorist organizations [4]. “Asked whether the State Department had considered putting the Kosovo Liberation Army (KLA) on the list, [a Department of State official] said, ‘The KLA has not fallen into the category of a foreign terrorist organization’” [5].

At that time, the United States was encouraging all forms of financing for the mujahedin, including donations from Muslim countries. Charitable donations reached the mujahedin via the Bank of Credit and Commerce International (BCCI), a fraudulent institution, used also by the Central Intelligence Agency for its covert operations.

Once the anti-Soviet jihad was over, Islamic charities continued to support Muslims fighting similar wars in other countries, for example, in Bosnia and Chechnya. Headed by Islamist sympathizers or members of radical Islamist groups, several charitable institutions evolved from sponsors of the mujahedin to financial conduits for Islamist armed groups, at times even providing shelter for members of terrorist organizations. When BCCI collapsed, Islamic charities used a network of Islamic banks to channel funds to terror groups, which proved to be an ideal instrument for money manipulation.

Many Islamic banks are the product of an odd alliance between the emerging Saudi middle classes and Wahhabi clerics. The former provided the money and the latter the structure, in strict adherence to Islamic law, to a new breed of banking institution [7]. Islamic banks, for example, levy on each transaction they handle the *zakat* (alms), obligatory for every Muslim. No documentation is kept of these monetary exchanges; the code of practice of Islamic banks requires the destruction of all documents as soon as the *zakat* money transfer has taken place. Some charities channel funds via Islamic banks to Islamic groups and cells scattered around the world.

A number of Islamic charities have been charged with funding a range of legal and illegal projects, from the construction of mosques and *madrasas* (Islamic religious schools) to the purchase of arms and the sponsorship of terror attacks [8]. The combination of humanitarian aid and illegal activity is typical of many such charitable institutions. For example, Muwafaq, better known as Blessed Relief, a Saudi charity openly supported by Osama bin Laden,\* ran courses in Arabic language, computers and Koranic studies in Bosnia and also took charge of food deliveries to help the needy. However, according to a former Croatian intelligence officer, Muwafaq also supported Muslim armed groups operating in Bosnia and Albania [10]. Because not all charitable donations are illegal sources of revenues, it is often very difficult to separate humanitarian aid from sponsorship of terrorism. Some bona fide charities have also been infiltrated by supporters of terrorism who divert some of the funds to terrorist groups.

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\*In 1996, the magazine *Al-Watan Al-Arabi* reported that Osama bin Laden had admitted to being one of Muwafaq's supporters [9].

## **Illegal revenues**

An additional source of insurgent income is State sponsorship, such as the funding by the Government of the United States of the *contras* in Central America in the 1980s. Today, State sponsorship plays only a small part in funding terrorism; a much more common means of getting hold of foreign exchange from international organizations and foreign Governments is asset transfer, defined as the redistribution of external assistance or existing assets in favour of armed groups [11]. Asset transfer is one of the most lucrative sources of revenue for armed groups in third world countries. It can assume many forms, often imaginative and unexpected. A few years ago, for example, United States satellite surveillance spotted 1,000 trucks, obtained by the Iraqis under the United Nations oil-for-food exchange programme, which had been converted into army vehicles [12]. Asset transfer is so widespread that donor countries even accept a built-in 5 per cent standard diversion of any aid, in cash or kind.

A common form of transfer is to levy “customs duties”: terrorist groups often impose road taxes in the territories they control. During the war in Bosnia, for example, Bosnian Croats levied a 27 per cent tax on international aid in transit via their territory to central Bosnia. Another form is robbery and ambushes, and so is the imposition of overvalued exchange rates that push up the price of domestic currencies, as happened in Sudan and Somalia [13]. Remittances in foreign currencies, for example, are converted into local currencies at the official exchange rate, which is much higher than the black market one. Whoever controls the territory—Government or armed group—pockets the difference in hard currency.

## **Criminal revenues**

Terrorist groups also fund themselves via the transfer of domestic assets, which is a criminal activity and can assume various forms: looting, robbery, extortion and pillage. The transfer of domestic assets is extremely damaging for the traditional economy because it preys directly upon its own resources. In the 1970s, the Euskadi Ta Askatasuna (ETA) policy of extortion and robbery depleted wealth from the Basque region of Spain; several businessmen were assassinated, causing some industrialists and their families to emigrate [14]. In southern Lebanon, the main revenues of Hizbollah originate from the extortion of traders, merchants, businessmen, restaurant owners and shopkeepers, mostly in the Bekaa Valley. Some

terrorist groups classify their criminal extortions as “war tax”—payments owed to them as if they were administrators of a territory [15].

Given its nature, therefore, domestic asset transfer is a substantial source of revenue, especially in countries experiencing civil war. When the Sudanese army used the nomadic Bagara militia from the north to pillage villages in the south, the stronghold of the Sudanese People’s Liberation Army, the outcome was famine in southern Sudan. The militia was responsible for widespread cattle-rustling, which destroyed the sustenance economy of the local population and led to the famine [16].

There are many other criminal activities that generate considerable income for the terror balance of payments; the list is endless, ranging from petty crime to murder, from credit-card theft to high-sea piracy. In the present article, only two types will be reviewed: kidnapping and smuggling; the former because it can be an important source of hard currency and the latter because it is the criminal activity which generates the largest amount of revenues for the terror balance of payments.

## **Kidnapping**

When foreigners, businessmen, tourists or international aid workers are kidnapped, the payment of ransom becomes revenue; if the ransom is paid in hard currency it is also a source of foreign exchange. In 1991, for example, the Islamic Movement of Uzbekistan (IMU) kidnapped a general from the Kyrgyz Ministry of the Interior and four Japanese geologists working for a mining company near Batken, the least-developed corner of Kyrgyzstan. According to Western diplomatic sources, the Government of Japan secretly paid IMU between \$2 million and \$6 million in cash for their release [17].

Since hostages are mere commodities for terrorist groups—like drugs, oil, gold and diamonds—anybody can bid for their lives, including terrorist organizations. In this callous trade in human lives, to purchase someone’s death can become a powerful political statement. At the end of 1998, Chechen Islamist rebels kidnapped three Britons and one New Zealander, engineers working for Granger Telecom, a British company installing mobile communications systems in Chechnya. The rebels negotiated with Granger a ransom of \$4 million. However, just before the transfer of the money was to take place, the men were beheaded. A Channel 4 television investigation into the last hours of the hostages’ lives unveiled the entry of

Osama bin Laden into the negotiations. According to the Channel 4 *Dispatches* programme, at the eleventh hour the Saudi renegade tycoon offered £4 million for the engineers to be executed [18]. It transpired that the men had been meant to pass information to the Government of the United Kingdom on Chechnya's economic situation.\* The four victims' heads, recovered from a ditch alongside a road in Chechnya, were apparently Osama bin Laden's macabre warning to the Government of the United Kingdom: stay out of the Caucasus and away from its resources. The Chechen rebels held on to the ransom.

## Smuggling

Contemporary terrorists' most important income-generating activity is smuggling, which is also a crime.\*\* Contraband ranges from cigarettes and alcohol to diamonds and is an important source of employment and recruitment for terror groups. Daniel Pearl, the journalist from the *Wall Street Journal* beheaded by Jaish-I-Mohammed (Army of Mohammad) while investigating the Afghan Transit Trade Agreement (ATTA) trade in Pakistan,\*\*\* wrote just before he was kidnapped that "beyond providing potential revenues to those in charge, smuggling offers employment to poor inhabitants of tribal areas along the Afghan border" [19]. Much of the economics of contraband is summarized in this sentence. Smuggling is an industry that finances terrorist groups and criminal organizations. It is possibly the largest entry in the balance-of-payments books of terrorists. Pakistan's tribal belt is a good example of this phenomenon. Merchants set the volume of goods smuggled via ATTA to Pakistan at a staggering 80 per cent of total Pakistani imports. These include Chinese and Korean textiles, as well as cars dismantled in Afghanistan, carried in pieces across the border and reassembled on the other side [20]. One of the main markets in Pakistan is the Karkhano Bazaar in Peshawar, where 600 merchants,

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\*In a letter sent in October 1998 to Granger Telecom, the United Kingdom Foreign Office wrote: "As one of the very small number of British companies involved in Chechnya and having first-hand knowledge of Grozny, we would welcome your views on the potential for investment in Chechnya". United Kingdom oil and service companies are very active in the Caucasus and Central Asia. Backed by the Government of the United Kingdom, they have been trying to get a foothold in these areas after the fall of the Soviet Union.

\*\*Smuggling produces foreign exchange and requires the physical transfer of products from one country to another. This is why it can be compared to the export of merchandise.

\*\*\* In 1950, landlocked Afghanistan signed the Afghan Transit Trade Agreement (ATTA), in which Pakistan guaranteed the right to import duty-free goods through the port of Karachi. During the anti-Soviet jihad, ATTA became synonymous with the smuggling of Afghan duty-free goods in three countries.



most of them from Afghanistan, supply a wide variety of foreign goods. In 1999, a United Nations study estimated that “illegal” exports from Afghanistan to Pakistan amounted to almost \$1 billion, and from Afghanistan to Iran to \$140 million. The Taliban’s cut from these businesses, in effect an export duty, was estimated by the United Nations at \$36 million, while the World Bank put it at \$75 million [19].

The benefits of contraband for terrorist groups are manifold. Not only is it a hefty source of income, it also erodes the infrastructure of traditional economies. In doing so, it facilitates the breeding of underground economics, the vast black market system which sustains terrorist groups. A study by the National University of Colombia estimated that sales from San Andresito, the largest smuggling market in Colombia, accounted for 13.7 per cent of the country’s gross national product in 1986 and as much as 25.6 per cent in 1996 [21]. In Colombia, smuggling from Panama is putting local tobacco and import companies out of business. Smuggling also has a negative impact upon the country’s fiscal revenues. In 1996, total shipments from Panama were worth about \$1.7 billion, of which Colombian customs only reported imports worth \$166 million. That means that taxes were not levied on the goods worth \$1.5 billion that entered the country illegally; this represented a considerable net fiscal loss for the Government of Colombia [21].

Smuggling is also an excellent vehicle for recycling. According to the United States Treasury Department’s Financial Crimes Enforcement Network, the Colombian Black Market Peso Exchange used by the Colombian drug cartels is “the primary money laundering system used by Colombian drug cartels” and “the single most effective and extensive money laundering ‘system’ in the Western hemisphere” [22]. The way it works is simple: Colombian drug traffickers accumulate large amounts of dollars, which they need to reconvert and launder into pesos. Therefore, they sell dollars in the United States at a discount to peso brokers. For \$1 million they receive the equivalent of \$750,000 in pesos. The brokers then use the money to purchase goods that can generate cash very quickly. They buy primary smuggling products, cigarettes, alcohol, electronics, and so forth and ship them to Aruba’s duty-free zone. Alternatively, they ship cases full of cash directly to Aruba and purchase the goods from local wholesalers. From there, the goods are shipped to Colombia, where they are sold at a considerable discount, often at prices lower than in the country of origin, to speed up the money-laundering cycle. Smuggling therefore makes accessible a vast range of products that would otherwise be too expensive for large sections of the local population; this is one of the reasons why it is politically very hard to eradicate this type of business.

This brief analysis of the sources of income of insurgent organizations, including terrorist groups, illustrates the vast variety of economic activities within reach of armed groups. Some of them are directly linked to the funding of terror groups; others are related to criminal activities, a small percentage refers to legitimate activities. All of them, however, belong to the same shady business system, an economy run jointly by terrorist and criminal organizations. In the following section, the structure of this economy will be reviewed and its size estimated.

### **The international illegal economy**

Globalization has provided criminal and terrorist organizations with an opportunity to enlarge and share international economic infrastructures: Islamic banks, offshore tax havens and terror's legitimate and illegitimate business activities are part of it, as are money-laundering institutions in the West. They are all key elements of an international illegal economic network.

Organized trafficking in drugs, weapons, goods and human beings constitutes a large section of this economy, which can be defined as the "criminal economy". Illicit narcotics generate a turnover of about \$400 billion a year; another \$100 billion is produced by the smuggling of people, weapons and other goods, such as oil and diamonds; and 90 per cent of this money is recycled outside the country of origin. Out of the annual \$400 billion from the narcotics business, for example, as little as \$1.4 billion stays in the country of production.\* Raymond W. Baker, a senior fellow at the Centre for International Policy in Washington, D.C., and a leading expert on money-laundering, believes that most of the money generated by violent criminal activity is recycled in the West, particularly in the United States. "When it comes to large deposits from overseas, far too often American banks assume a 'don't ask, don't tell' philosophy", he said. "In fact, the Treasury Department estimates that 99.9 per cent of the criminal money presented for deposit in the United States is accepted into

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\*The average value of drugs produced in 1999-2001 amounted to \$1.4 billion at constant 2001 prices for the seven major drug-producing countries: Afghanistan, Bolivia, Myanmar, Colombia, the Lao People's Democratic Republic, Mexico and Peru. This figure has been calculated on the basis of the value of the drugs at the first point of sale, which is different from the cost of production (how much it cost the farmer to produce the harvest). This indicator is based on the potential production of drugs as estimated by the United Nations. Seizures and damage to crops at harvest time have been taken into consideration.

secure accounts. It's a sad fact, but many American banks, under the umbrella of conflicting American laws and policies, will accept money from overseas even if they suspect that it has been illegally obtained" [23]. The Uniting and Strengthening America by Providing Appropriate Tools Required to Interrupt and Obstruct Terrorism (USA PATRIOT) Act is aimed at blocking this flow of money into the United States; however, it is too early to judge its impact.

### **Illegal flight capital**

Another component of the international illegal economy is represented by illegal flight capital. This refers to money that moves from one country to another illegally, most often undetected and unrecorded. Illegal capital outflow can be generated by tax evasion, payments of kickbacks and bribes, earnings from falsified invoices and other sham transactions. As a phenomenon of the globalization of the illegal economy, it has the most damaging effect on the domestic economies of countries where the money is generated and taken out, as it depletes them of their wealth. According to Baker, nearly 40 per cent of Africa's aggregate wealth has been transferred abroad and between \$200 billion and \$500 billion left Russia in the 1990s. Sierra Leone offers a good example of the negative impact of illegal capital outflow: the bulk of the foreign exchange produced by the contraband of diamonds, estimated at between \$25 million and \$125 million a year, was used to buy weapons for the Revolutionary United Front and its partners in the smuggling business. Little of this wealth was redistributed inside the country.

Asset transfer is another component of illegal capital outflow that results in the impoverishment of countries. In 2001, about \$68 billion were given in aid to countries, including countries such as Afghanistan that produce drugs and areas such as Chechnya that serve as drug trans-shipment points. The bulk of this money never reached the needy; some of it went to sustain the drugs, the smuggling and terrorist industry, which, in turn, shipped or spent the profits outside the country of origin. According to Baker, in the late 1990s, developing and transitional economies received a yearly capital inflow of \$50 billion from foreign aid (from the United States, the Organization for Economic Cooperation and Development and the World Bank). During the same period, the outflow of money that illegally left these countries due to mispricing in arm's length trade and the proceeds of corruption was \$100 billion [24], that is, twice the inflow. "In addition, there are transfers based on intra-company pricing policies, that

is, when multinational corporations deal with their own subsidiaries and affiliates. Add to this criminal money all illegal asset swaps, all falsified transfers that are not attached to any trade and the total figure of dirty money leaving poor countries is estimated to amount to \$500 billion per year” [25].

Altogether, illegal flight capital is about half a trillion dollars a year.\* Together with other criminal monies, it adds up to a staggering \$1 trillion a year, the equivalent of the nominal gross domestic product (GDP) of the United Kingdom. Other estimates of the size of illicit financial transactions, also known as “gross criminal product”, are very similar and set the value at between \$600 billion and \$1.5 trillion, that is, about 2-5 per cent of world gross product, of which narcotics range from \$300 billion to \$500 billion, smuggling of arms, other goods, human beings and counterfeiting between \$150 billion and \$470 billion, and proceeds from computer crimes amount to \$100 billion [2].

### The new economy of terror

Terrorist groups do not finance themselves only with illegal money; they also have access to legal sources of revenue. The 11 September 2001 attacks in the United States, for instance, were financed with clean money. Profits from legitimate businesses, money collected by Muslim charities and mosques and independent donations made to Muslims that end up supporting armed groups are not considered “dirty money”. The \$25 million in “donations and gifts” given by the Unocal Corporation to the Taliban to win a Central Asian pipeline contract came out of the company’s legal budget. Donations are legal money that can be used for terror activities. In essence, this is one of the main differences between criminal money and terrorist funding: assets and profits acquired by legitimate means and even declared to tax authorities that end up funding terror. Thus, when compared with the international illegal economy, the new economy of terror has additional financial sources, which could be estimated at between about one third and half a trillion dollars per year.\*\*

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\*Baker included in this calculation the *zakat* and money sent abroad through the *hawala* system.

\*\*This estimate is based on the author’s research and calculation of the size of the legal business of terror organizations.

Together with the illegal economy, the new economy of terror amounts to nearly \$1.5 trillion, some 5 per cent of the world economy. This constitutes an international economic system parallel to the legitimate one. It generates a river of money, which intermingles with traditional economies and essentially poisons them. It increases some countries' dependency upon illegal monetary sources and weakens the system of control of money-laundering. It depletes the economies of developing countries and countries with economies in transition, where much of that wealth is generated. It impoverishes legitimate economies and boosts illegal and terrorist economies. This process weakens States and encourages the formation of economies run by armed groups, entities created around the economics of armed conflict, often fuelled by terrorist groups. As this process evolves, the size of this alternative economic system will increase and with it Western dependency on it via the recycling system.

### **Money-laundering**

The amount of \$1.5 trillion represents considerable wealth, a yearly injection of cash into mainly Western economies equivalent to several per cent of world GDP, much of which is regularly washed through the international money-laundering system or redistributed via the money-manipulation system. Many official financial institutions provide—or have until quite recently provided—such services. In 1995, a report of the Australian financial intelligence unit, the Australian Transaction Reports and Analysis Centre, estimated that 3.5 billion illegal Australian dollars were recycled through Australia every year. As little as 1 per cent of this money was seized by the police. Northern Cyprus has for a number of years been a laundering paradise, where banks and financial institutions washed about \$1 billion a month from Russia [26]. For some years, Thailand was also a favourite destination for money-launderers. In 1996, Bangkok's Chulalongkorn University estimated that \$28.5 billion went through the country's money-laundering system, the equivalent of 15 per cent of Thai GDP [27].

Raymond W. Baker is adamant that the bulk of the money laundered passes through United States and European institutions. Criminal and terrorist money enters the system under the guise of corrupt or tax-evading money. Though United States anti-money-laundering legislation requires the registration of cash deposits, "Treasury Department officials have stated on multiple occasions that it is United States policy to attract flight capital out of other countries, with little or no heed paid to whether or not it is tax-

evading” [25]. Corruption is another field where the law is highly ambiguous. Until the end of 2001, while United States businessmen were prohibited from bribing foreign government officials, United States banks were allowed to assist them in moving money without asking any questions about the origins. “What the United States law conveys ... to American business people, financial advisers and bankers”, writes Baker, “is do not bribe foreign officials; however, if wealthy foreign officials are encountered, including those suspected of being corrupt, then the United States wants their money” [23, 24]. The Bank of New York, for example, has been under investigation about a laundering scheme that shipped \$10 billion out of the Russian Federation. Members of the Russian mafia, business and government officials linked to it masterminded the outflow, which included money received as aid from the International Monetary Fund [26]. In October 2001, in the USA PATRIOT Act, handling the proceeds of corruption was finally made an offence under United States anti-money-laundering law, 25 years after the Foreign Corrupt Practices Act was passed. However, criminalizing the handling of the proceeds of corruption does not change the fact that there remain many ways of getting around the law [25].

Money-laundering comes at a price. In the 1980s, transaction costs were only 6 per cent; by the end of the 1990s these had jumped to 20 per cent of the sum to be recycled [27], and are still rising. “This is the percentage charged on the total amount to be laundered”, explains Baker. “For drugs dealers, this is a cost easily absorbed. The price of drugs has in fact been falling in the United States at the same time that the cost of laundering has been rising. This clearly reflects the ready supply of drugs and the lower costs of smuggling, enabling the laundering tab to be paid easily” [25]. Laundering is not only getting riskier and therefore more expensive, it also requires more sophisticated techniques. According to Baker, every \$100 billion processed by the laundering machine corresponds to \$400 billion to \$500 billion of “dirty money” [25]. If this figure is correct, out of \$1 trillion every year, about \$200 billion are “washed” by mainly Western money-laundering institutions and enter the world money supply as “clean money”.

### **The growth of the international illegal economy**

The final question to answer is: how big is the pool of resources that feeds the world illegal economy? How large is the amount of money in circulation inside this economic system? In monetary terms, a very rough indicator is provided by the stock of United States dollars held abroad, that

is United States currency used outside the United States.\* Because the principal means of exchange of the illegal economy is the United States dollar, it is reasonable to assume that part of the stock of dollars held outside the United States is part of this economy.

Recent studies have shown that from 1965 to 1998 the share of United States currency permanently held abroad had risen about 60 times.\*\* This is a very basic indicator of the growth of the illegal economy over this period of time. Today about two thirds of the United States money supply, technically defined as M1,\*\*\* is held outside the United States and the percentage is still growing. This value gives us a rough indicator of the incremental growth of the world illegal economy. A comparison of the issue of \$100 bills from 1965 to 1998 shows that the growth of foreign stock has been much higher than that of the domestic one. More and more dollars leave the country where they are issued and never return, being used for transactions, held as security, or being deposited in foreign banks in financial safe havens.

The implications for the United States economy are considerable and reflect the degree of dependency between the legal and illegal economies. United States currency held abroad is a considerable source of revenue to the United States treasury because of seigniorage, the Government's gain in converting valuable metal into more valuable coins or bills.\*\*\*\* "If the amount of currency held abroad is around 200 billion dollars [1996 figure], and the three-month Treasury bill rate is 5.2 per cent ... the amount of seigniorage (and taxpayer saving) from externally circulating currency, calculated as the product of these two figures, would be more than 10 billion dollars" [30].

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\*According to the United States Federal Reserve, "Foreigners use high-denomination bank notes primarily as a store of value, while countries with unstable economies may choose to use the dollar as a medium of exchange" [28].

\*\*"This is the component of United States currency that is in continual circulation or permanently held abroad. We supposed, as an identifying assumption, that there is a permanent and transitory component to foreign-held currency. As a matter of definition the permanent component reflects currency which is in continual circulation abroad and hence does not flow through Federal Reserve cash offices. We assume that currency held temporarily abroad, say due to tourism or business travel, returns to the United States ... with the same transit time as currency in domestic circulation." [29]

\*\*\*Cash and short-term deposits.

\*\*\*\*Each time the Government of the United States issues money, due to the demand for money, it creates wealth. "Seigniorage" was the term used in the Middle Ages by the Italian lords (*signori*) for issuing gold coins; the value of the coin was equal to the value of the gold in it plus the seigniorage, or the cost of issuing the coins. All United States currency held externally can be thought of as a form of interest-free Treasury borrowing and therefore as a saving to the taxpayer.

## Conclusions

The degree of interdependence between the legal and illegal economic systems is probably already too advanced to consider severing all ties. Could Western capitalism afford to lose a yearly cash injection of \$1.5 trillion? Could it live without the oil of the Middle East? The difficulties encountered in rebuilding Afghanistan and Iraq are signs of dangers looming ahead. The threat of terrorism, never entirely absent in the minds of policymakers, is a constant reminder that major changes in foreign policy are needed. Closing channels of the legitimate international economic system is likely to open up new ones to the illegal one.

Because terror's lifeline is, next to ideology and spirit of rebellion, money, the only way to defeat modern terrorism is by developing a strategy to sever ties between the black market and grey market economy on the one hand and the clean and legitimate one on the other hand. This will take time, perhaps even decades. The first step is to wean Western economies from their dependency on laundered money, the second is to encourage Islamic financial and banking institutions to adhere to the rules and regulations of international finance by becoming part of it, the third should be rescuing regions from the grip of terrorist and criminal organizations, for example, by drying up supply and demand for the products of narco-traffickers in the Golden Crescent as well as in Latin America and Central Asia. Without such measures, the new economy of terror will continue to blossom.

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# STATISTICS ON TERRORISM: THE CHALLENGE OF MEASURING TRENDS IN GLOBAL TERRORISM

by Alex Schmid\*

*As long as the world of violence portrayed by one data set differs from the worlds of violence described by other data sets it is difficult to gain credibility outside the academic area [1].*

## Abstract

Terrorist acts kill and injure individuals. Looking at such acts in the cold light of statistics might make it seem that there is little respect for each precious and unique life lost. For the terrorist challenge to be dealt with as well as possible, sound data must be used as a basis for informed decision-making. Any understanding of the phenomenon of terrorism has to be arrived at on the basis of available information and not through hasty generalizations about individual cases. The present article reviews global terrorism trends and compares data on the subject from a variety of sources.

## INTRODUCTION

A key requirement for measuring levels of terrorism is the effective maintenance of databases on the subject. In both the study of terrorism and in other areas, databases can be used:

- (a) As extended memory for the analyst;
- (b) To discover underlying patterns of terrorism;
- (c) To facilitate trend analysis;

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- (d) To compare terrorist campaigns cross-nationally and over time;
- (e) To generate probability estimates of future terrorist activities;
- (f) To make statistical correlations with other phenomena that might be the causes, concomitants or consequences of terrorism;
- (g) To evaluate the success of counter-terrorist policies.

Given the multiple purposes that databases serve, it is surprising that there are so few of them in the field of terrorism research. The low level of use of statistical data is not a reflection of the social sciences in general, but is typical for terrorism research.

Andrew Silke found that while “some 86 per cent of research papers in forensic psychology and 60 per cent in criminology contain at least some form of statistical analysis ... terrorism articles rarely incorporate statistics and when they do they are nearly five times more likely to be just descriptive statistics. Barely one article in 30 published in the past five years incorporated inferential analysis” [2]. Silke’s conclusions are illustrated in table 1.

**Table 1. Comparing the use of statistical analysis in social science research, 1995-1999**

(Percentage)

	<i>Inferential statistics</i>	<i>Descriptive statistics</i>	<i>None</i>
Forensic psychology	81.0	5.0	14.0
Criminology	32.5	27.5	40.0
Terrorism	3.3	15.7	81.0

*Source:* Andrew Silke, “The devil you know: continuing problems with research on terrorism”, *Terrorism and Political Violence*, vol. 13, No. 4 (2001), p. 11.

What types of database exist in the field of terrorism and lend themselves to the making of statistics? Most of the databases are based on chronologies and refer to international terrorism only. Table 2 lists the main producers of data in the field of terrorism.

**Table 2. Databases on terrorist incidents or incident reports**

<i>Author</i>	<i>Scope</i>	<i>Period</i>	<i>Number of incidents</i>
RAND Corporation	International	1968–1997	8 509
International Terrorism: Attributes of Terrorist Events (ITERATE)	International	1968–2000	10 837
United States of America Department of State	International	1980–2001	10 026
Communication Technology: Basic Research and Applications (COBRA)	International	1998–1999	1 041
Terrorism in Western Europe: Event Data (TWEED)	National (Europe)	1950–1999	10 498
RAND-National Memorial Institute for the Prevention of Terrorism (MIPT)	National and international	2001–2002	2 261
Pinkerton Global Intelligence Services	National and international	1970–1997	70 215
Terrorist Research Intelligence of a Technical and Operational Nature (TRITON), Hazard Management Solutions	National and international	mid-2000–mid-2002	2 452

All but three of these databases are from the United States of America, with many of them being funded at one time or another by the Government of the United States. Table 2 makes clear that most of the statistics gathered over a long period by the RAND Corporation, International Terrorism: Attributes of Terrorist Events (ITERATE) and the United States Department of State relate to international terrorism. One long-running database maintained by Pinkerton Global Intelligence Services, which covered global terrorism, that is, national and international, was, unfortunately, discontinued in 1997. Discontinuity of time-series is not unusual because often a single researcher is responsible for maintaining a database. Even the RAND data show a gap in the late 1990s, but one that will be closed. Another data set, Terrorism in Western Europe: event data (TWEED), maintained by a Norwegian researcher, refers to only one region and is based on a single source. The Communication Technology: Basic Research and Applications (COBRA) database, maintained by two United States scholars, Frank Shanty and Ray Picquet, struggles with a backlog. The Terrorist Research Intelligence of a Technical and Operational Nature (TRITON) data set, maintained by a British counter-terrorism specialist, uses as units of analysis not individual terrorist events, but reports of (sometimes multiple) events. Some use wide definitions of terrorism, others narrow ones.

## Different working definitions of data sets on terrorism

When the working definitions of various databases are considered, considerable differences are found as to what constitutes terrorism. Some databases include guerrilla activities, others attacks against military personnel in peacetime. Table 3 illustrates the comparative definitional elements in a number of terrorism databases.

**Table 3. Elements in working definitions of terrorism**

<i>Definitional elements in terrorist incident databases</i>	<i>RAND Corporation</i>	<i>RAND-National Memorial Institute for the Prevention of Terrorism</i>	<i>International Terrorism: Attributes of Terrorist Events (ITERATE)</i>	<i>United States of America Department of State</i>	<i>Communication Technology: Basic Research and Applications (COBRA)</i>	<i>Terrorism in Western Europe: event data (TWEED)</i>	<i>Pinkerton Global Intelligence Services</i>	<i>TRITON, Hazard Management Solutions</i>
Violence; force		X	X	X	X	X	X	
Political		X	X	X	X		X	
Fear, terror emphasized			X		X	X	X	
Threat			X		X		X	
(Psychological) effects and (anticipated) reactions	X		X					
Victim/target differentiation			X			X		
Purposive; planned, systematic; organized action	X	X	X	X	X	X	X	
Method of combat; strategy; tactic				X			X	
"Extra-normality"; in breach of accepted rules; without humanitarian constraints								
Coercion; extortion; induction of compliance	X					X	X	X
Publicity aspect	X					X		
Arbitrariness; - impersonal; random character; indiscriminateness								
Civilians; non-combatants; neutrals, outsiders as victims		X		X	X			

Definitional elements in terrorist incident databases	RAND Corporation	RAND-National Memorial Institute for the Prevention of Terrorism	International Terrorism: Attributes o Terrorist Events (ITERATE)	United States of America Department of State	Communication Technology: Basic Research and Applications (COBRA)	Terrorism in Western Europe: event data (TWEED)	Pinkerton Global Intelligence Services	TRITON, Hazard Management Solutions
Intimidation							X	
Group, movement, organization as perpetrator		X	X	X				X
Symbolic aspect; demonstration to others		X	X	X	X	X		
Incalculability; unpredictability; unexpectedness of occurrence of violence								
Clandestine; covert nature		X		X	X			
Repetitiveness; serial or campaign character of violence								
Criminal							X	X
Demands made on third parties						X		

Sources: RAND: definitions provided by Kim Cragin, RAND Corporation, Washington, D.C., United States of America, April 2001.

RAND-National Memorial Institute for the Prevention of Terrorism: definitions available at [www.tkb.org/Glossary.jsp](http://www.tkb.org/Glossary.jsp).

International Terrorism: Attributes of Terrorist Events (ITERATE): Edward F. Mickolus, Todd Sandler and Jean M. Murdock, eds., *International Terrorism in the 1980s: A Chronology of Events, Vol. II: 1984-1987* (Ames, Iowa, United States of America, Iowa State University Press, 1989), p. xiii.

United States Department of State: *Patterns of Global Terrorism, 2001*. The definition employed is from Title 22 of the United States Code, section 2656f(d).

Communication Technology: Basic Research and Applications (COBRA): Frank Shanty and Ray Picquet, *International Terrorism 1998: An Annual "Events Data" Report* (Collingdale, Pennsylvania, United States of America, DIANE Publishing, 2000), p. 6.

Not only do the working definitions of what constitutes terrorism differ, but when the actual entries into the databases are examined, even entries that do not fit into the respective working definition are sometimes found. One United States database, for example, includes certain acts of vandalism and sabotage, as well as certain criminal acts and acts of guerrilla warfare, under its list of incidents of international terrorism [3]. The inclusion of acts of sabotage against objects such as oil pipelines would not seem to constitute an act of terrorism when no people are directly affected.

However, since such acts are often carried out by armed groups in order to extort money from oil companies for use in funding, inter alia, acts of terrorism, there is a certain operational logic to including such auxiliary acts of criminal extortion, as well as certain other acts of political violence, in a terrorism database.

The inclusion of impure cases in a database is considered a “sin” by those upholding academic rigour. However, rather than complain that some databases of terrorist incidents contain not only borderline cases, but also non-terrorist events, critics should consider whether there is not a strong case to be made for broadening the scope of data collection to include not only other acts of political violence, but also other manifestations of political conflict. Indeed, the single biggest shortcoming of current databases on terrorism is that they are generally detached from the overall political conflict situation in which the terrorist group is often only one of several actors.

The recognized levels of analysis in the study of terrorism are the following:

1. The conflict situation in which the terrorist group is one of the actors.
2. The terrorists’ “cause” and their attempt to realize their goal.
3. The terrorist group and its dynamics.
4. The terrorist campaign and its escalation and de-escalation.
5. The individual terrorist incident.

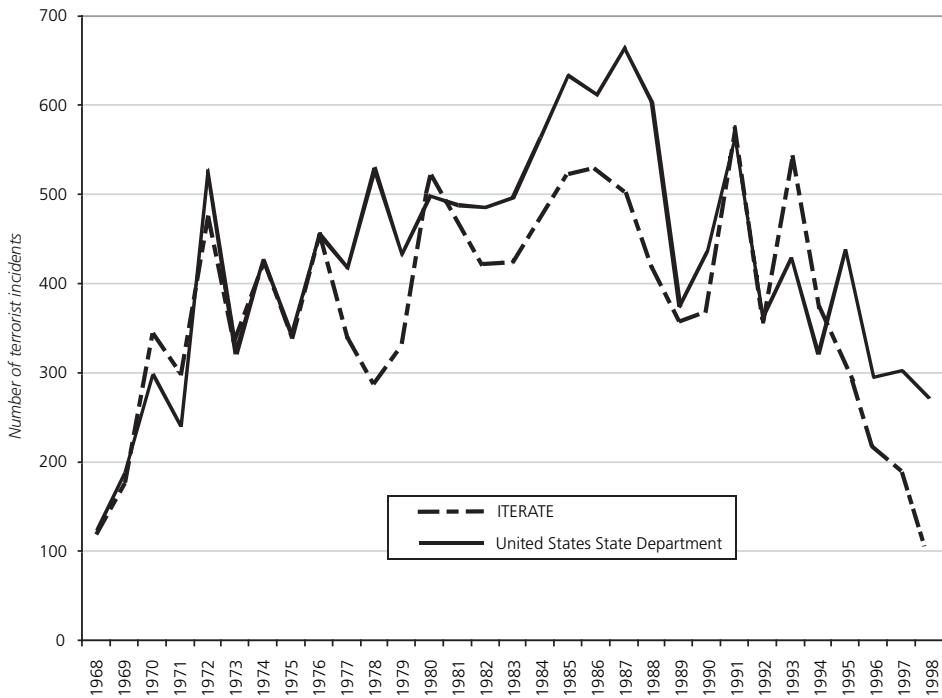
In the present article, the databases discussed are those that focus only on the lowest level of analysis, indicated above as level 5.

It might be thought that on the relatively “primitive” level of counting incidents, the different databases would cover more or less the same incidents. However, one regrettable outcome of different working definitions and different actual coverage of incidents in databases is that they come up with very different numbers of incidents. For the 10-year period 1968-1977, for example, depending on which of four American databases was consulted, the total number of terrorist incidents that could be found would differ substantially: 936 (RAND), 2,413 (Central Intelligence Agency (CIA)), 3,027 (ITERATE) and 4,091 (United States Department of State) [4: 34].



How can such large differences be explained? It is not only a question of who is counting, but also of what is counted and how. For example, two American databases covered the same group of incidents: a wave of 40 bombings occurring in a single night in one city. One database (CIA) listed this as 40 separate incidents, while the other database (RAND) treated the wave of bombings as a single incident [4: 29]. There are considerable differences, even in data sets that have almost identical working definitions. Figure I shows some differences between ITERATE and the database of the Department of State.

**Figure I. Annual incidents of international terrorism, 1968-1998: data from International Terrorism: Attributes of Terrorist Events (ITERATE) and United States Department of State**



Maintaining a database on incidents of terrorism requires both a realistic working definition and its consistent application, which is more difficult to achieve and has often been lacking. Already in 1981 W. W. Fowler noted:

“Virtually every researcher we interviewed expressed concern about the difficulty of defining a set of consistent criteria for inclu-

sion of incidents in terrorism databases. The problem is one of balancing the desire for comprehensiveness with the necessity for rigor and relevance of the data. Data bases that apply clearly defined criteria were criticized for being overly restrictive—in some cases, the restrictions are imposed by law ... in others, they are dictated by mission ... or by the desire to achieve methodological rigor ... On the other hand, some data bases include information that might be excluded under a strict interpretation of data-based definition ... The data bases are clearly divided on this issue: those used for basic research strive for more rigorous definitions and operationalization of concepts, while those used mostly for intelligence estimates contain data that seem more directly related to policy questions, whether or not this results in consistent data selection” [5].

## Data sources

The definition problem and the inconsistent application of a selected working definition are but two of the problems facing the data collector; the sources are another. Most databases rely heavily on open source materials and, since the media are often not neutral bystanders in a political conflict, their coverage of terrorist events poses a number of additional problems. The world of terrorism is not infrequently one of “smoke and mirrors”, where the media, and through them (sectors of) the public, are meant to be influenced, if not manipulated, in a certain way.\* The evaluation of information on acts of terrorism therefore often poses major problems due to a number of factors:

- (a) False, multiple or no claims of responsibility by perpetrators;
- (b) The difficulty of distinguishing between provocative “false flag” incidents carried out by one party in a conflict for the purpose of implicating a militant group and incidents actually perpetrated by that group;
- (c) Government censorship or disinformation;

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\*The dissemination of incorrect or “doctored” information by a government source might, for instance, be due to the fact that a source of information would be exposed if the “true” version of a given event were made public.

- (d) Superficial, “soft”, incomplete or missing information on many terrorist acts in open sources;
- (e) De-contextualized information on terrorism (leaving out socio-political conflict);
- (f) Media self-censorship, inaccuracies or biased coverage;
- (g) Conflicting information with no reliable third party confirmation;
- (h) Definition problems (conceptual boundaries of terrorism; for example, “terrorists” engaging in “sabotage” or in “guerrilla tactics”);
- (i) The fog of (civil) war: the difficulty of isolating incidents in warfare;
- (j) The difficulty of dealing with mixed incidents when it is not clear whether the attack was on an armed target with collateral damage among civilians or whether it was an attack on civilians that resulted in non-civilian casualties.

Another reason for the increased difficulty of interpreting acts of terrorism compared to two decades ago is the fact that the number of claims for a terrorist act has declined in recent years. The fact that most terrorist groups act from a clandestine underground complicates verification of information. The Government is often the only source of information and interpretation. Where there is Government censorship or media self-censorship, the number of reported terrorist incidents often does not match the number of actual incidents or the casualty figures are manipulated. When there are no courageous journalists or foreign correspondents, the number of reported incidents often declines even more sharply. A further complicating factor is the simultaneous presence of other forms of violence next to terrorist violence in situations of civil war, foreign occupation, outside military intervention or inter-State conflict. This leads to a number of information-handling problems that also affect “inter-coder reliability”, that is, when different coders asked to include events in or exclude events from a data set do not always make the same judgement [5: 15].

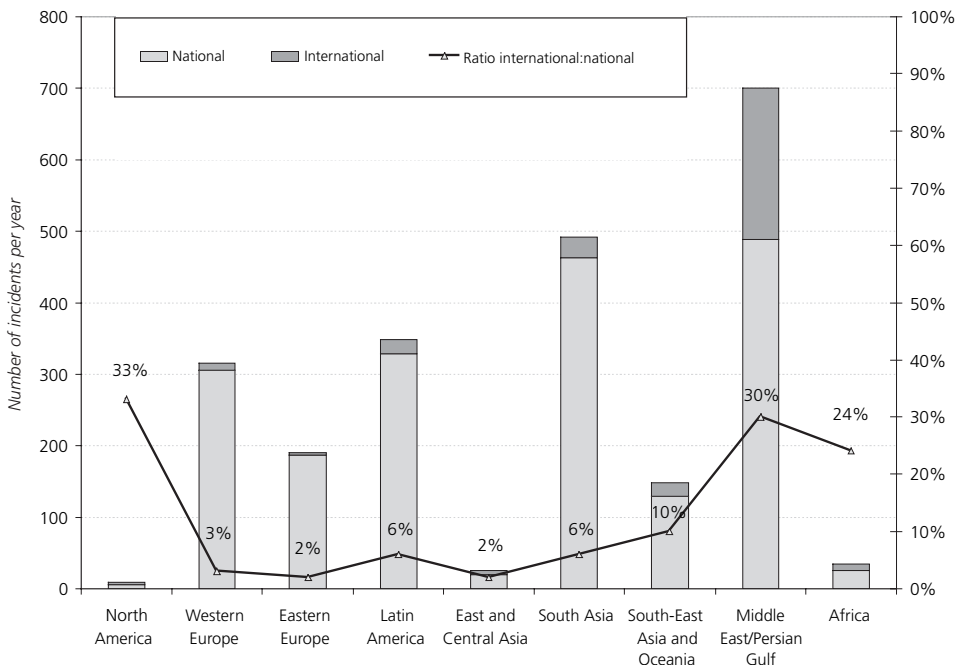
Despite their shortcomings, incident databases have much to say about the phenomenon of terrorism, especially when compared to each other. Some of the most important findings are presented below.

## The relationship of national terrorism to international terrorism

When statistics on terrorism are utilized, they usually refer to international terrorism. Incidents of international terrorism in which the victim is not a national, the perpetrator is not a national or the theatre of the attack is foreign form only a small part of global (that is, national and international) terrorism. How small that part is a matter of dispute. Depending on which database is referred to, the annual average number of incidents for international terrorism ranges from 293 (RAND) to 520 (COBRA), while the annual average number of incidents of global terrorism (national plus international incidents) ranges from 1,507 (RAND-MIPT) to 2,452 (TRITON). The long-term time series of Pinkerton counted an average of 2,635 incidents per year for the period 1970-1997 [6, 7: 1]. This raises the question of what the relationship is between national and international terrorism. The ratio between the two types of terrorism varies greatly from region to region, as figure II shows.

**Figure II. Regional distribution of terrorist incidents, from 1 March 2001 to 24 June 2002**

(Percentage)



Source: RAND-National Memorial Institute for the Prevention of Terrorism.

Overall, of a total of 7,053 incidents between 26 December 1997 and 8 March 2003, there were 6,276 national incidents and 777 international incidents, which would indicate that only about 12.4 per cent of all incidents are “international”, according to RAND-MIPT data. In a number of situations, it is difficult to make a distinction between national and international terrorism.\* Pinkerton’s count of global terrorism for the period 1989-1997, on the other hand, indicates that international terrorism constituted only 9.2 per cent of global terrorism [6: 182]. On the basis of various databases, it can be said that international incidents constitute one eighth to one tenth of all recorded terrorist incidents. However, there are considerable regional differences, as shown in table 4.

**Table 4. Terrorist incidents by region, from 26 December 1997 to 8 March 2003**

	<i>International</i>	<i>National</i>	<i>Total (= global)</i>
North America	4	33	37
Western Europe	182	1 853	2 035
Eastern Europe	43	555	598
Latin America	77	1 103	1 180
East and Central Asia	13	43	56
South Asia	61	1 122	1 183
South-East Asia and Oceania	35	241	276
Middle East/Persian Gulf	333	1 209	1 542
Africa	29	117	146
<b>Total</b>	<b>777</b>	<b>6 276</b>	<b>7 053</b>

Source: Oklahoma City National Memorial Institute for the Prevention of Terrorism, spring 2003.

The main reason for the large differences in levels of national and international terrorism between regions (7 per cent in Latin America and 27.5 per cent in the Middle East) are owing to factors such as the presence and size of foreign diasporas (including refugees) and the levels of control that regimes exercise over their populations.

\*Martha Crenshaw, in *The Global Phenomenon of Terrorism*, has argued that “the distinction between ‘international’ terrorism and ‘domestic’ [national] terrorism is artificial and has been so for some time. Local conflicts are fluid. They spill over into the global arena when it is physically easy for them to do so, when universalistic belief systems—including religions as well as secular ideologies—justify expansive conceptions of struggle, and when foreign actors appear to be impediments to domestic change” [8].

## **Has there been a rise in the lethality of terrorism and a decline in the frequency of incidents of terrorism?**

Brian Jenkins, one of the pioneers of quantitative research on terrorism, claimed in the 1970s that terrorists wanted a lot of people watching; they did not want a lot of people dead. With the exception of State terrorism as it existed under fascism and communism, until recently a strong case could be made that most terrorism had low-fatality levels. When, for example, the few high-fatality incidents during the last quarter of a century are examined, excluding the incidents that occurred in Algeria, there were “only” seven incidents with 200 or more fatalities and less than 24 with more than one hundred fatalities [9].

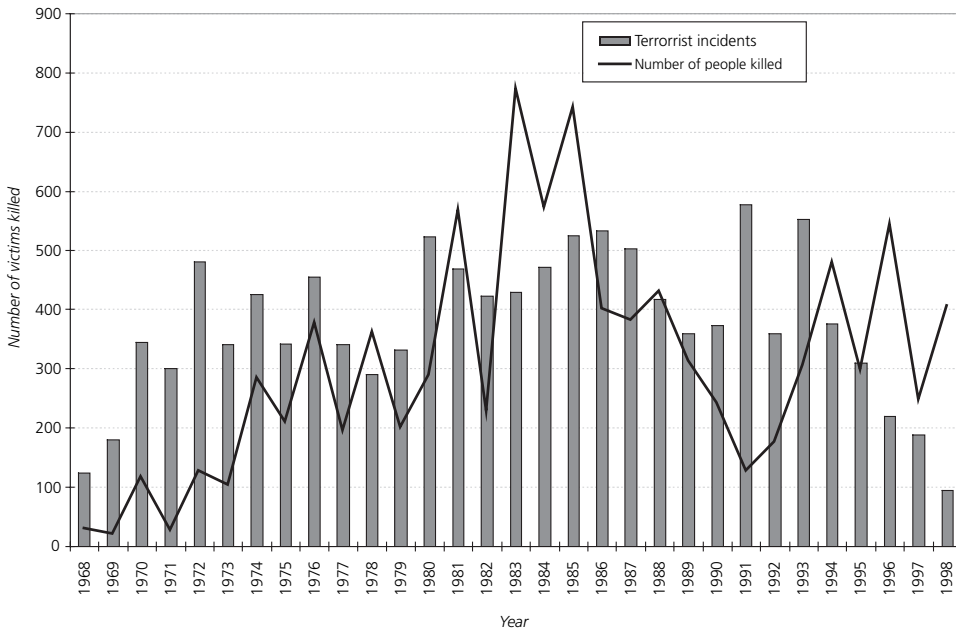
In recent years, Bruce Hoffman has postulated the thesis that there is a rising trend in the lethality of terrorism, while at the same time the number of incidents has declined. This declining trend for acts of international terrorism is explicit for the periods 1986-1992 and 1994-1997, but, on the whole, the pattern for acts of international terrorism is more one of ups and downs. Walter Enders and Todd Sandler, in an article based on ITERATE data, concluded: “Using data for 1970 through mid-1996, we also examine trends and cycles in terrorist modes of attack. There is virtually no evidence of an upward trend in transnational terrorism, contrary to media characterizations. All types of terrorist incidents display cycles ... .” [10].

The ITERATE figures for 1968-1998 in figure III show an increase from 0.24 fatalities per incident in 1968 to 1.25 in 1978, then a drop to 1.04 in 1988 and a rise to 4.35 in 1998. However, there are also considerable drops in between. The respective figures for numbers of people injured per incident show a similar movement, dropping from 1.64 in 1968 and 1978 to 1.07 in 1988, then rising to 2.33 in 1998. Figure III shows the numbers of people killed and wounded by international terrorist acts over 31 years.

The hypothesis of a rise in casualties is also supported by the ITERATE data [11]. However, it should be kept in mind that it is against a background of the relatively low fatality and casualty rates of international terrorism.

The information contained in table 5 might be surprising to the layman, who is given the impression by the media that international terrorism has always been very deadly in its consequences. The attack on the World Trade Center in New York on 11 September 2001, which killed 2,830 people, was, however, quite exceptional. According to the ITERATE

**Figure III. International terrorism, 1968-1998:  
Comparison of number of victims killed with annual trends of incidents**



Source: International Terrorism: Attributes of Terrorist Events (ITERATE), database compiled by Peter Flemming.

statistics, in less than 18 per cent of the recorded terrorist incidents was someone wounded. The average number of victims wounded per incident was, for the 31-year period, less than 2 (1.78) persons. Only in 15 per cent of all incidents of international terrorism was someone killed. The average number of people killed per incident of international terrorism in the period 1968-1998 was less than one person (0.836).

**Table 5. Statistics on international terrorism from the International Terrorism: Attributes of Terrorist Events (ITERATE) IV database, 1968-1994**

Overall number of incidents	10 837
Number of people killed	9 654 (= 401 per year)
Number of fatality-free incidents	9 210 (85 per cent)
Number of people wounded	16 854 (= 624 per year)
Number of incidents with no wounded	8 907 (82.2 per cent)
Number of incidents with a single death	876 (8.1 per cent)

Source: P. Flemming and R. Stohl, "Myths and realities of cyberterrorism", in *Countering Terrorism Through International Cooperation*, A. Schmid and others, eds. (Milan, International Scientific and Professional Advisory Council of the United Nations Crime Prevention and Criminal Justice Programme, 2001), p. 71.

This counter-intuitive outcome is, however, in part also a result of the working definition of ITERATE, which includes many attacks against property in which no people were involved. For the period 1968-1998, ITERATE recorded 11,304 incidents, of which 40.3 per cent targeted property, 35.4 per cent people and 24.4 per cent both people and property. The ITERATE definition does not confine terrorist victimization to civilian targets, but also includes certain foreign and host-country military casualties.

The rise in fatalities in recent years is more explicit with regard to global terrorism (global meaning national and international) than to international terrorism (meaning transnational only). Figures on global terrorism for the years 1968-1993, collected by the Interdisciplinary Research Programme on Causes of Human Rights Violations at Leiden University in the Netherlands, are supportive of the thesis of a rise in casualties. However, the hypothesis of a drop in the number of annual incidents for global terrorism is not supported.

**Table 6. Casualties caused by global (national and international combined) terrorism, 1970-1983 and 1990-1993**

<i>Period</i>	<i>Annual average number of people injured</i>	<i>Total number of people injured</i>	<i>Annual average number of people killed</i>	<i>Total number of people killed</i>
1970-1983	1 352	18 925	2 008	28 110
1990-1993	9 252	37 010	6 875	27 499

*Source:* A. J. Jongman, "Trends in international and domestic terrorism in Western Europe, 1968-1998", in *Western Responses to Terrorism*, A. P. Schmid and R. D. Crelinsten, eds. (London, Frank Cass, 1993), p. 36 and Peter Chalk, *West European Terrorism and Counter-Terrorism: The Evolving Dynamic* (New York, St. Martin's Press, 1996), p. 183.

What is clear from the figures is that casualties have increased in recent years, especially those resulting from national terrorism. While the number of international terrorist incidents fell in the 1990s, this appears not to hold for global (national and international combined) terrorism.

### **The rise of non-secular terrorist groups**

The higher casualty rates in recent years have been attributed to the rise of fundamentalist religious terrorist groups, which, it is suggested, care less about deaths. The rise of such non-secular groups was first noted by Bruce Hoffman of the RAND Corporation. This development is shown in table 7.



**Table 7. The rise of non-secular international terrorist groups**

Year	International terrorist groups	
	Total	Non-secular
1968	..	0
1980	64	2
1992	48	11
1994	49	16
1995	58	25

Source: Bruce Hoffman, "Terrorism and WMD: some preliminary hypotheses", *Nonproliferation Review*, vol. 4, No. 3, spring/summer 1997, p. 48.

Note: Two dots (..) indicate that data are not available or are not separately reported.

The last figure in table 7, for 1995, would indicate that no less than 43 per cent of all active international terrorist groups were religiously motivated. Another study looking into the ideological background of 130 terrorist groups came up with a comparable figure; it found that 38.5 per cent were claiming to be inspired by religion.

**Table 8. Ideological background of 130 terrorist groups**

Type of terrorist group	Number	Percentage
Right-wing	5	3.8
Left-wing	20	15.4
Ethnic	55	42
Non-secular	50	38.5

Source: Dennis Pluchinsky, Paul de Armond and Ehud Sprinzak, "The classic politically motivated non-state groups", Chemical and Biological Arms Control Institute, Washington, D.C., and the Center for Global Security Research of Lawrence Livermore National Laboratories, University of California, United States of America, p. 7.

The figure for non-secular groups given in table 8 may be an overestimate because some groups can be put in more than one category, for example, when separatist groups have both ethnic and religious affiliations. In such cases, the coder has to decide between one or the other.

Among the 10 most active international groups in the period 1968-1998, only one group was non-secular: the Islamic Jihad Organization. It pro-

duced, however, the highest number of casualties per incident (9.83, while the average was 3.6). The number of non-secular groups among the most active groups has, since 1998, risen from one to three (see table 9).

**Table 9. The 10 most active international terrorist organizations, 1968-1998**

	<i>Number of incidents</i>	<i>Number of casualties</i>	<i>Logistic success rate (percentage)</i>
Provisional Irish Republican Army (IRA)	561	2 397	72.5
Black September Organization (BSO) (Palestinian group)	151	257	31.8
Euskadi Ta Askatasuna Militar (ETA-M) (Basque Homeland and Liberty Military Front, Spain)	144	168	83.3
Islamic Jihad Organization (IJO) (Lebanon)	131	1 288	86.3
Partiya Karkeren Kurdistan (PKK) (Kurdistan Workers Party)	106	43	96.2
Popular Front for the Liberation of Palestine (PFLP)	99	694	73.7
Fuerzas Armadas Revolucionarias de Colombia (FALN)	91	179	86.8
Ejército de Liberación Nacional (ELN) (National Liberation Army, Colombia)	91	217	84.6
Sendero Luminoso (SL) (Shining Path, Peru)	88	127	88.6
Armenian Secret Army for the Liberation of Armenia (ASALA) (Turkey)	80	185	80.0

*Source:* International Terrorism: Attributes of Terrorist Events Database (ITERATE), compiled by Peter Flemming.

## The causes of terrorism

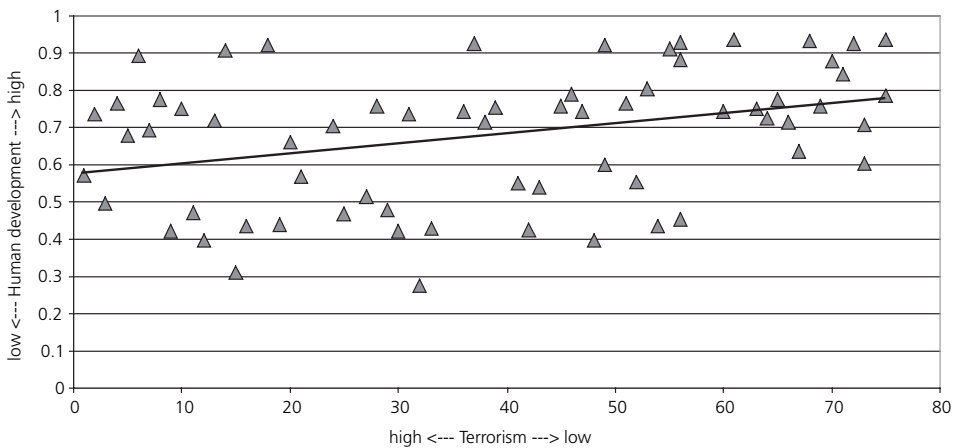
The tables presented above are all descriptive. However, it is also possible to produce some inferential statistics based on existing data. The two examples presented in figures IV and V refer to the alleged causes of terrorism.

One cause of terrorism frequently cited is the existence of poverty [12]. If indicators of poverty are combined with indicators on terrorism for a number of countries, it should be possible to establish whether or not there is a correlation. This issue has been explored with the help of statistical data on some 70 countries. There are several ways of measuring poverty: one indicator of poverty is provided by the Human Development Index compiled by the United Nations Development Programme. It consists of three indicators, measuring respectively per capita income, life expectancy and

level of education. A recently developed terrorism index\* is also based on three indicators, measuring respectively the severity, frequency and scope of terrorism. Severity is defined as the number of casualties (killed and injured people) per year; frequency is defined as the number of terrorist incidents per year; and scope is defined as the number of active terrorist groups in a country.

Looking at the data and analysing the Human Development Index and the Terrorism Index, the correlation shown in figure IV emerges.

**Figure IV. Correlation between terrorism and poverty**



Note: Kendall's tau-b: correlation coefficient: 0.250; significance (2-tailed): 0.0003; N:66.

What emerges is that the direct correlation between poverty and terrorism at the country level is quite low.

For purposes of comparison, levels of terrorism are correlated with levels of human rights observance by States. For this purpose, an index developed originally by Michael Stohl of Purdue University (United States), as updated by the Interdisciplinary Research Programme on Root Causes of Human Rights Violations at Leiden University in the Netherlands, is

\*The terrorism index, developed by the author, is a two-based logarithmic transformation  $f(X) = \log_2(2+X)$  was used (adding 2 is necessary because some cases have a value of zero, not permitting the calculation of a logarithm). The two-based index levels off extreme values in any one variable, as exemplified below:

	<i>Incidents</i>	<i>Groups</i>	<i>Victims</i>	<i>Index</i>
Country 1	10	10	1 000	17.14
Country 2	100	100	100	20.02

utilized. This index measures another form of misery: the one caused by human rights violations. It is based on data derived from the United States Department of State Country Reports on Human Rights Practices.

**Table 10. Human Rights Observance Index**

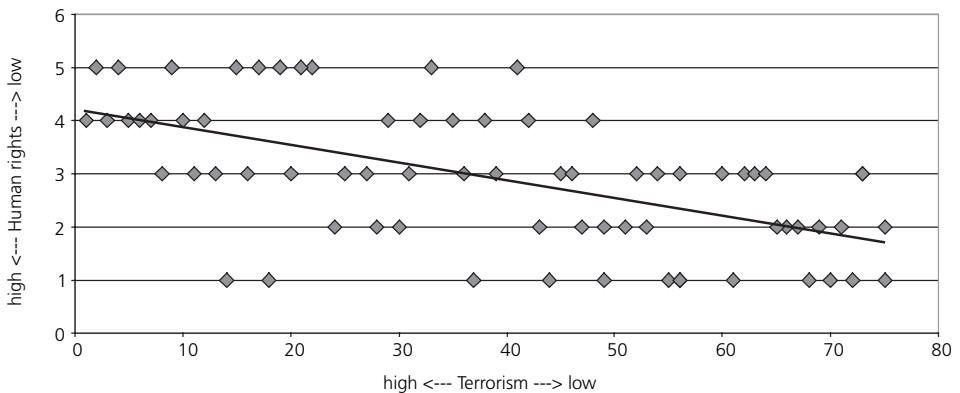
Level

Level I	Countries with a secure rule of law and high human rights observance.
Level II	Countries with a moderate level of human rights violations.
Level III	Countries with significant human rights violations.
Level IV	Countries with very serious human rights violations.
Level V	Countries with generalized state repression.

Source: Interdisciplinary Research Programme on Root Causes of Human Rights Violations, *World Conflict and Human Rights Map, 2001/2002* (Leiden University, Netherlands, 2001).

As can be seen from figures IV and V, the correlation between the misery caused by human rights violations and terrorism is higher than the one between terrorism and poverty. It could be tentatively concluded from table 11 that it is very important to have a secure rule of law in and a high level of human rights observance by States in order to reduce the level of terrorism. That is not to say that poverty itself is not a very serious problem, but poverty should be fought in its own right, not for the purpose of preventing terrorism.

**Figure V. Correlation between levels of terrorism and levels of human rights observance**



Note: Kendall's tau-b: correlation coefficient: -0.443; significance (2-tailed): 0.000; N:71.

One area in which poverty plays a contributory role is probably the area of unemployment, especially among relatively highly educated young men. When they see no solution to their situation in the prevailing political and economic circumstances, they become more susceptible to the false promises of those who favour terrorist methods to bring about social and political change. Countries with a “youth bulge”, a relatively open system of higher education and high unemployment rates among university graduates would seem to be at higher risk of young men being attracted to political violence, including terrorism.

## Conclusions

The present article has attempted to show that the data situation in the field of terrorism is not well developed compared to other fields of study. At the same time, an attempt has been made to illustrate that even less robust data can yield useful insights. The main findings and observations are summarized below:

(a) Most of the databases examined are based on chronologies and the majority of the databases refer to international terrorism only;

(b) Not only the working definitions of what constitutes terrorism differ; when an examination is made of entries in the databases, some are found that do not fit into the respective working definition;

(c) Despite shortcomings, incident databases have, especially when compared to each other, much to say about the phenomenon of terrorism;

(d) On the basis of several databases, it can be concluded that international incidents constitute between one eighth and one tenth of all recorded terrorist incidents;

(e) The rise in fatalities in recent years is more explicit with regard to global terrorism (meaning national plus international) than to international terrorism alone;

(f) While the number of international terrorist incidents has gone down in the 1990s, this appears not to hold for national (domestic) terrorism;

(g) The number of non-secular terrorist groups among currently active terrorist groups has been rising in the last three decades;

(h) There is no significant correlation between poverty and the occurrence of terrorism, while there is a significant correlation between a high level of human rights violations and high levels of terrorism;

(i) For the purpose of monitoring terrorism across time and countries, a terrorism index based on indicators for scope, severity and frequency of incidents can be useful;

(j) Perhaps the single biggest shortcoming of current databases on terrorism is that they are generally detached from the overall political conflict, in which the terrorist group is often but one of several actors.

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# EARLY DETECTION OF TERRORIST CAMPAIGNS

By Matenia P. Sirseloudi\*

## Abstract

Despite relatively low levels of fatalities compared with other modes of conflict waging, terrorism contributes significantly to the perpetuation of violent conflict. New approaches to its prevention are therefore badly needed. After a brief description of the concepts of terrorism and early detection, the present article outlines a model for the early detection of terrorist campaigns, looking at long- and medium-term preconditions (root and proximate causes), as well as short-term precipitants, in order to uncover underlying structures enabling and facilitating terrorist campaigns. At almost every stage of the path to a terrorist campaign, a diversion to other modes of conflict-waging is possible. The preliminary results of an ongoing analysis and the results of already completed studies in this area provide the basis for the 36 indicators proposed in the annex to the present article.

## INTRODUCTION

Before discussing the early detection model, the present article defines what is to be forecast, in particular because there is no universal consensus as to what constitutes terrorism.\*\* Depending on the point of view of the observer and the locus of political debate, and in the absence of a generally accepted definition, one man's terrorist is still too often considered another man's freedom fighter.\*\*\* It is therefore easier to link the term to certain acts that produce terror (as well as other reactions) in target audiences rather than to classify groups or individuals as terrorists.\*\*\*\*

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\*\*For a discussion of definitions, see Alex P. Schmid [1: 28] and Peter Waldmann [2: 10].

\*\*\*As President Ronald Reagan, former President of the United States of America, remarked with regard to the Nicaraguan contras.

\*\*\*\*Such groups exclusively use terrorist tactics (for example, the Red Army Faction (RAF) or Aum Shinrikyo), while others opt for both terrorist and guerilla tactics (for example, the Partiya Karkeren Kurdistan (PKK) (Kurdistan Workers Party), the Revolutionary Armed Forces of Colombia (FARC) or the Liberation Tigers of Tamil Eelam (LTTE)). The latter groups tend to enjoy a broader public support, as their constituents often agree, if with not their means, at least with some of their ends.

In the present article, terrorist acts are defined as:

(a) Politically motivated violent attacks by non-State actors on civilian targets;\*

(b) Primarily communicative in their intent, unlike military or guerilla tactics;

(c) Intended to provoke an overreaction of the opponent, which, in turn, is often used to justify the use of violence.

A terrorist campaign encompasses all phases, from the decision to launch the campaign to the planning, preparation and realization of a series of attacks and their follow-up in terms of exploiting their political fallout. For early detection, this implies that monitoring precipitants of an already ongoing campaign is necessary if one wants to conduct a symptom-based, short-term preventive strategy. In other words, one has to determine and monitor the preconditions that precede the decision to launch a terrorist campaign. Cutting off the terrorist Hydra's heads alone will not do. Preconditions for acts of terrorism can often be found in political conflicts, which share some of the same root causes as political terrorism.

### **The challenge of creating early detection models**

In comparison with scientific approaches to the early detection of earthquakes and other natural disasters, predicting human behaviour is far more problematic. There are feedback mechanisms in planning and preparation that reflect self-fulfilling and self-defeating prophecies. Nevertheless, social scientists have recently made remarkable progress in several fields of early detection and early warning. Models have been developed and partly implemented for the forecasting of violent conflicts, gross human rights violations, genocide, forced migration and State failure.\*\*

The point of departure of the present article is the definition of "early detection of conflict escalation", developed by Alex P. Schmid. He defines

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\*The term "la terreur" was originally coined in the context of the French Revolution, when Jacobins took drastic action against their political opponents. Although State and State-sponsored terrorism persists, the present discussion focuses on non-State actors only.

\*\*John L. Davies and Ted R. Gurr have compiled a valuable collection describing ongoing early warning efforts [3].

it as the “observation and registration of hidden or obscure signals and indicators that point towards conflict escalation or the emergence of a crisis [that] requires a monitoring effort (“early listening”) in the potential conflict zone itself, systematic data-gathering, qualitative and quantitative, expert consultation and subsequent analyses and interpretations to produce risk assessments solid enough for early warning purposes” [4]. This definition can also be applied to the early detection of terrorist campaigns. However, the following two problems arise in addition to the usual challenges confronting early warners:

(a) For organizational, bureaucratic and communication reasons, larger collectivities are more restricted in their actions, which gives them a certain rationality and predictability. Individual behaviour is far less predictable, often seeming arbitrary, capricious and irrational. While it is difficult to assess individual behaviour, let alone to forecast it from the outside, it is easier to trace regular processes at the aggregated level of collective social behaviour and to identify trends. The forecasting model presented here therefore focuses on the collectivity of terrorist action, that is, the terrorist campaign. Individual incidents are not covered by the model;

(b) Terrorists operate secretly because clandestinity serves to protect the group and tends to give it a certain mystique. Unlike the intended effect of military or guerrilla forces, the terrorists’ calculated surprise is intended to create a vague but universal feeling of menace in the target population. The covert character of terrorist campaigns results in a situation in which contemporary empirical data are scarce and access to them is often restricted. Information on the progress of terrorist campaigns is usually of either a short-range intelligence nature or a general retrospective nature, for example, in the form of memoirs or court testimonies.

## **A model for the early detection of terrorist campaigns**

For risk assessment and forecasting, different methods are available. Bruce Newsome and his terrorism forecasting group use, for example, an academic Delphi-survey method, combined with historical extrapolations [5], while Schmid has developed a terrorism index, which allows the measurement of risk levels. In order to optimize forecasts, several methodical approaches should be applied simultaneously and competitively.

The following conceptual model combines partly tested indicator variables with others based on deduction. A distinction is made between precondi-

tions and precipitants of terrorist campaigns. Precipitants are events or phenomena that are indicative of an ongoing campaign, while preconditions are factors that have in the past created the enabling social circumstances for terrorist campaigns. The latter are further subdivided into (a) long-term structural (root) causes, producing social and other tensions that might, alongside other modes of conflict-waging, generate terrorist campaigns; and (b) medium-term situational, so-called proximate causes, that create the risk of one violence-prone actor turning to terrorist acts. Both types of circumstances are influenced by facilitating accelerators and inhibiting decelerators. These are usually not causally related to the campaign, but intervene, thus speeding up or slowing down the process.\* For a comprehensive early detection model, not all the necessary information is always available. Often models apply only one time frame, for example, Joshua Sinai's short-term "indicators and warning" approach [7]. Unfortunately, in many models, factors outside the military or security environment are often neglected.

In order to provide a simple visual representation of the early detection approach presented here, the selection of relevant factors has been limited to the more universally valid ones. For specific campaigns, further context-related variables will have to be added.

### **Root causes: preconditions**

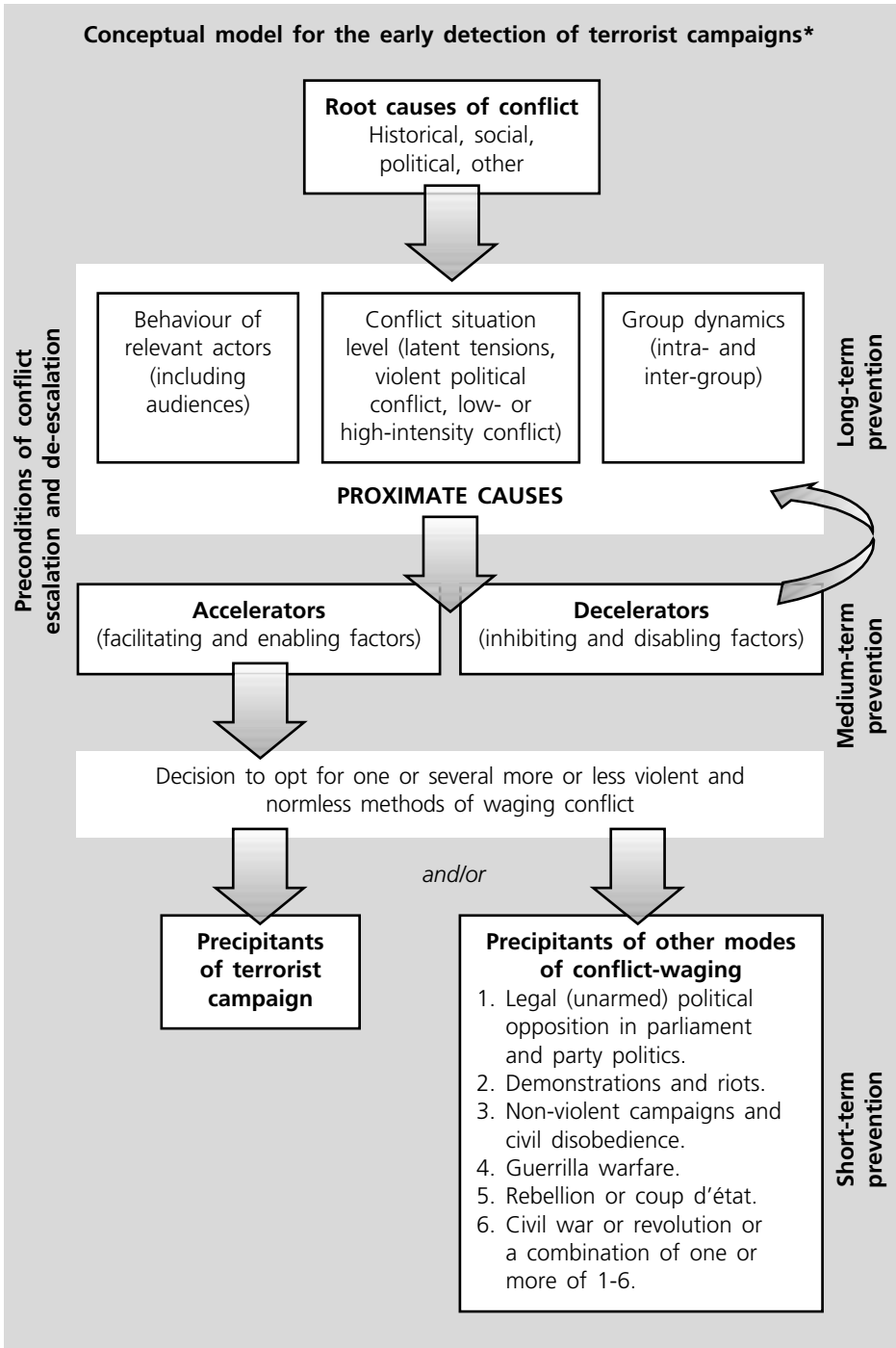
History tends to repeat itself if the motivating underlying social structure is not changed. Yet structural determinants alone are not enough; for a terrorist campaign to take off, the confluence of three factors is needed:

(a) Rebels willing to undergo the hardship of living underground, who are motivated by either their own personal, family or social group history or by an ideology proclaimed by charismatic leaders;\*\*

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\*In the present analysis, only accelerators and decelerators for terrorist campaigns are explained; for further details of conflict accelerators or decelerators, see Harff [6] and Schmid [4: 34].

\*\*The motivational causes might not be experienced at a personal level, but might be vicarious: identification with the disadvantaged might cause feelings of anger and revenge against the assumed cause of misery. The members of the German terrorist group RAF, for example, felt that they should act as champions, spokesmen and pioneers for the underprivileged of the Third World, which indicates that motivating circumstances might in certain cases be external to the host society.



\*The conceptual model for the early detection of terrorist campaigns was developed by the author and Alex P. Schmid.

(b) A structure that offers the opportunity to motivating leaders to take a gamble with history;

(c) Capabilities of the group, based on human and economic resources, internally generated or externally acquired.

An ambivalent factor in the context of motivation and opportunity is the role of democracy. On the one hand, democracies restrict violent modes of conflict waging as grievances can generally be redressed; on the other hand, the freedom of association and movement of open societies provides more opportunities for terrorist attacks.

Democracies have been far more often targeted by terrorist attacks than have autocratic or dictatorial regimes [8: 417-443]. With the opportunity of free media coverage and fair, often lenient, criminal prosecution under the rule of law, democracies offer an enabling environment and make a better arena for terrorist violence in a way that dictatorships or other types of repressive regimes do not [8: 129]. At the same time, owing to wider popular participation in the political process and the fact that dissatisfaction and grievances rarely reach a threatening level, a democratic Government usually enjoys a higher degree of legitimacy with its own population. Even when democracies have to cope with many domestic terrorist attacks, fatality rates (average deaths per incident) are relatively low.\*

Democracies, especially those using a system of proportional representation rather than winner-takes-all democracies, offer a multitude of alternative, non-violent channels of political protest and opportunities for system change, such that most frustrations can be articulated peacefully [9]. Jan Oskar Engene's study on domestic terrorism in Western Europe supports this assumption [10: 290]. He finds that the emergence of terrorism is generally linked to low values of freedom and democracy.

To sum up, one can say that, while non-democratic regimes offer more fertile soil for motivating terrorists, highly vulnerable democracies offer the easiest targets. An illustrative example for this hypothesis of the double impact of democracy on terrorism is the Basque terrorist group Euskadi Ta Askatasuna (ETA) (Basque Homeland and Liberty). Emerging under General Franco's dictatorial rule, ETA campaigns escalated in terms of fre-

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\*For data on terrorist incidents, the author has referred to the RAND Terrorism Chronology (1968-1997), an open-source database system, and the RAND-National Memorial Institute for the Prevention of Terrorism (MIPT) Terrorism Incident database (1998-present) ([www.tkb.org](http://www.tkb.org)).

quency of incidents and level of lethality only after the Spanish transition to democracy in 1974. A third dangerous scenario involves democracies perceived as powerful external actors upholding illegitimate Governments, which turns the former into prime targets [11]. The risk of being targeted by terrorist violence is highest for “old democracies” involved in international conflicts, according to Monty Marshall [12].

A much more unequivocal relation exists between domestic governmental legitimacy and terrorism. Engene uncovered for terrorism in Western Europe a systematic link between terrorist campaigns and legitimacy problems [10: 292]. The countries with the highest legitimacy problems—problems of ethnic fragmentation, continuity or integration—were the ones confronted with the biggest terrorist challenge in Western Europe, that is, Spain, the United Kingdom of Great Britain and Northern Ireland, and Italy [10: 210, 215].

Closely connected to the legitimacy of a regime are the effects of accelerated social or economic change. Engene’s analysis shows that the rise of ideological (social-revolutionary) terrorism is much greater in countries with high growth rates. Similar results were found for income inequality [13]. There is a clear tendency towards higher levels of terrorism in States with bigger distributive inequalities, whereas poverty as such seems to be no direct cause for terrorism.\* The correlation between the misery caused by human rights violations and terrorism is considerably higher than the one between terrorism and poverty [15]. Marshall’s analysis also points to a high positive correlation between “collective political violence with excessive targeting of civilians” and terrorism.\*\* This outcome is confirmed also by Engene’s analysis on Western European terrorism, where human rights violations coincide with long-term terrorist activity.\*\*\*

From a historical point of view, the question arises of the extent to which a tradition of violent conflict regulation has a long-term impact. As long as terrorists depend on support from a larger constituency, their strategy is guided by the potential support group’s tolerance of and willingness to adopt violence. The higher their social tolerance towards violence, the eas-

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\*See Engene on terrorism in Western Europe [10: 193] and Schmid [14], who show that the direct correlation between “poverty” (as defined by the Human Development Index of the United Nations Development Programme) and terrorism is quite low.

\*\*Including exclusionary ideologies, militancy, restricted human rights, displaced populations and protracted social violence [12: 36 and appendix C.1].

\*\*\*Engene [10: 186]. It should, however, be taken into account that the counter-campaign as a reaction to acts of terrorism itself might contribute to the worsening of the human rights situation.

ier it will be for terrorists to find recruits for their method of conflict-waging. Social tolerance of and willingness to adopt violence depend on the society's collective or segmental experience with and exposure to violence.

Historical concepts of the enemy that can be used as projections of the current enemy are also enabling factors, not only for terrorist campaigns, but also for other types of violent conflict-waging. Positive role models referring to traditional patterns of rebellion and resistance can be used for terrorist legitimacy and self-esteem.\*

According to Weinberg's and Richardson's research on terrorism in Western Europe, "early risers" were all democracies that had previously suffered through periods of right-wing dictatorship or Nazi occupation. The terrorist groups explained their own behaviour as an extension of resistance movements formed against fascism [17].

Marshall also highlights the high correlation coefficients between terrorism and the sum of past State failure events, manifesting themselves in revolutionary wars, ethnic wars, adverse regime transitions and genocides or "politicides"\*\*\* [12: appendix C.2].

Circumstances that facilitate an increase in a group's capabilities (going beyond recruitment pools; financial, logistical and technical know-how; arms; logistics; or previous experience with violence) are territorial or geopolitical factors such as "bad neighborhoods" of failing States from which a spillover of violence takes place, inter-State enmities leading to instances of State-sponsored terrorism or situations where war-torn regions with weak State control can be used for retreat or training.\*\*\*

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\*For example, in Chechnya at the end of the nineteenth century, an "Abrek" resistance culture emerged as a response to State oppression. The Abreks fought against the representatives of State power, protecting their communities and clans. (In *Slovar' Russkogo Yazyka (Dictionary of the Russian Language)* (Moscow, 1978), S. I. Ozhegov defines the Russian word "Abrek" thus: "In the period of the attachment of the Caucasus to Russia: a mountain man who participated in the struggle against tsarist troops and administration".) Their example is nowadays used by insurgent groups launching terrorist campaigns [16: 5]. A similar phenomenon is the cult of martyrdom, often utilized by violent actors for suicide attacks.

\*\*"Politicide" is a form of mass, targeted killings in which a group of people are destroyed because of their political or ideological beliefs. It is similar to genocide, but different in that politicide does not specifically target ethnic, racial or cultural groups (*Wikipedia* at <http://en.wikipedia.org/wiki/Politicide>).

\*\*\*The number of border States with any type of major armed conflict shows one of the highest correlation coefficients with Marshall's terrorism index [12: appendix C.2]. On State failure as a root cause of terrorism, see also Bjørgo [11]. For further root causes of conflict, see Schmid [3: 6-8].



## Proximate causes

Proximate causes, unlike root causes, do have a direct effect on the probability of a terrorist campaign taking place. They consist of the specific actor constellations, the conflict situation and the group's dynamics leading to a terrorist campaign, once a motivated group with certain capabilities has come into existence. As has been pointed out, the terrorist strategy—compared to military or guerrilla warfare—has a primarily communicative rationale. Therefore, the behaviour and expectations of various target audiences for the terrorists' message have to be taken into account. The various target audiences of the terrorists' violent message are listed below.

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### Terrorism's multiple target audiences<sup>a</sup>

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<i>Possible target audience</i>	<i>Goal</i>
1. Those who already identify positively with the terrorist group (supporters).	To win their sympathy and/or persuade them to increase their support.
2. Those who are their declared opponents.	To demoralize, intimidate and/or coerce and blackmail them.
3. The non-committed bystanders and unharmed observers.	To impress them and/or force them to ask "What is going on?".
4. Members of the terrorists' own organization.	To raise morale, to encourage supporters to become members of the organization.
5. Rival groups.	To show them who is more daring and "successful".

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<sup>a</sup>Adapted from Gerrits [18].

### 1. Supporters

Supporters who provide logistic, financial or ideological support and offer recruits, as well as legitimization for any long-term terrorist campaign, play a crucial role in the group's strategic-tactical calculations. Depending on the type of constituency, its expectations and its tolerance of violence, the terrorist group will try to fine-tune the intensity of its violence. The more they depend on them, the more terrorists will take into account the wishes of their clients; this is most evident in the case of State-sponsored terrorism. If support is granted by diaspora groups that are only very rarely exposed to violence, their investment in terrorist campaigns usually tends

to be much “lighter” than when the supporters risk being victimized by the terrorists and/or the opponents of the terrorists and their cause.\*

## 2. *Opponents*

The identity of the declared opponents and their role in the conflict also identify potential targets or target groups. The more overpowering or repressive an opponent or coalition of opponents appears to the insurgent group, the more probable it is that the group will try to gain the attention of the international public with a provocative strategy.\*\* The nature of the attack often anticipates the most likely counter campaign. The more extreme the response, the more loudly will terrorists declare that their violence is justified [17: 3]. It is therefore important to design a counter-strategy that takes, as it were, the wind out of the terrorists’ and their supporters’ sails.\*\*\*

## 3. *The non-committed bystanders*

The non-committed bystanders include, in the national arena, the concerned public in the crossfire, that is, the group of citizens standing between the coercion of the terrorists and the repression of the Government. These people have to determine (a) who is likely to win, (b) who is more legitimate and (c) who is more to be feared in the short run. This group has almost no direct influence on the terrorists’ calculations; it has to be impressed and, if necessary, coerced into taking sides. As long as society is not totally polarized and neutral segments exist, the fight to persuade potential supporters will be part of the terrorist campaign. Additionally, one can also place in this category the international news media as observers. They have often established a problematic and, in some cases, symbiotic relationship with terrorist campaigns in their search for conflict news [21, 22]. Terrorists deliberately use the media system, seeking prime time attention. Often the success of a campaign is measured by the news

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\*Reliance on diasporas to wage an insurgency may become an increasingly common phenomenon [19]. On diaspora groups as potential recruitment pools, see Waldmann [20].

\*\*Included are terrorists from authoritarian client States of powerful democracies attacking the perceived backer of repression in their homeland, as the expert group pointed out at the Norwegian Institute of International Affairs meeting (see Bjørgo [11]).

\*\*\*A distinction has to be made concerning the legitimacy of the opponent in the eyes of key target audiences as support group or as parts of society to be won over. Attacking autocrats will enjoy a different legitimacy in their eyes from attacking democracies. Those who fight for the establishment of the rule of law and democracy generally enjoy a higher moral standing than those who fight to create repressive regimes.

coverage obtained, which is seen as a step to recognition. Consequently, attacks are often timed in a way that guarantees “appropriate” media coverage. If publicity is restricted or considered “insufficient” to the group’s tactical goals, the probability of the violence escalating rises.

#### *4. Members of the terrorists’ own organization*

An attack always affects the internal dynamics and pressures of a group. Terrorists generally live underground, isolated from the outside world and in a permanent state of alert. They are often driven by strong desires for revenge in response to some perceived humiliation [23]. Attacks strengthen a group’s cohesion and forge strong bonds between its members, while inactivity breeds dissent and desertion. A successful attack has a euphoric effect on an often frustrating underground existence. At the same time, such an attack is seen as contributing to the de-legitimization of the enemy and therefore boosts the morale of the insurgent group [24]. A certain frequency of attacks is necessary to ensure a terrorist group’s continued existence (Hoffman 2001 [22: 235]).

#### *5. Rival terrorist groups*

The group’s strategic-tactical calculation in a multi-actor scenario also includes inter-group competition. Rival groups pursuing similar goals compete for resources, support, attention, recognition, prestige and recruits [25: 76].

Fast-escalating violence is seen as a promising tactic for dominating the field. Post and others describe the struggle for recruits in the Palestinian refugee camps in Jordan after the Six Day War of 1967 in this light [25: 83]. As an important reason for the escalations in Northern Ireland, Weinberg [17: 14] indicates “the presence of other third parties (neo-fascist gangs or Protestant paramilitaries) promoting a spiralling effect to the violence”.

A workable early detection model will have to take into account these five relationships and the expectations of different relevant actors when anticipating a group’s inclination towards launching or escalating a terrorist campaign.

#### *Conflict situation*

Marshall [12: 9] has perceptively observed that terrorism “can be the strongest form of protest or the weakest form of rebellion or a specialized

tactic in warfare”. Terrorist campaigns are very often connected to other modes of conflict-waging. They can represent either an escalation of a political conflict, or a de-escalation of a low-intensity conflict. In high-intensity conflicts, the terrorist attack usually loses its communicative power against an excessively violent background and becomes a form of war crime.

The first main path to be observed is terrorist campaigns as a consequence of escalating activism of militant social and political movements. When it becomes obvious that a protest movement is not evolving into a mass movement, the hard core might go underground. From there, the most active militants try to initiate a political revolution by a provocative terrorist campaign, as the Russian anarchists, the United States Weathermen, the German Red Army Faction (RAF), the Italian Red Brigades and the Provisional Irish Republican Army (PIRA) did in their first phase [2: 121].

The second path—terrorist campaigns as the de-escalation of a low intensity conflict—can or could be observed, among other places, in Sri Lanka or Turkey.

Insurgent groups driven by nationalistic motivations often opt in times of declining resources or eroding recruitment to upgrade their terrorist attacks. With modest resources, they try to project an image of continuing effectiveness. The advantage of attacking civilian “soft” targets is that the resources needed are far fewer and easier to obtain than for an attack on a military “hard target” [16: 5].

A third conflict constellation leading to terrorist campaigns is when an insurgent group seeks, as a new actor on the scene, quick attention in an already ongoing conflict setting. This scenario could be observed in Colombia during recent years, when the union of right-wing paramilitary groups, the Autodefensas Unidas de Colombia (AUC) (United Self-Defence Organization of Colombia), entered a conflict arena dominated until then by the armed forces of the State and several leftist guerrilla groups. From 1999 to 2002, AUC was responsible for at least 60 terrorist incidents, causing hundreds of fatalities. The average lethality rate of its attacks was about six times higher than the average lethality rate of the main, already established, leftist guerrilla groups Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army, which was 0.45.

Stein Tønnesson points to the historical settings of the wars of decolonization in Indochina and Indonesia. Both episodes began in 1945 as guerrilla campaigns, against France and the Netherlands respectively. While in both

cases the main insurgent actors did not rely primarily on terrorist means, rival groups soon appeared on the conflict stage. These weak newcomers seeking public attention did so mainly by committing terrorist acts [26].

Guerrilla and terrorist tactics have been used alternately or concurrently by the same groups, especially in domestic conflicts, as violent conflicts tend to have multiple faces. Next to a dominant mode of conflict-waging, there may be a second mode. The Colombian FARC, for example, is leading a rural guerrilla war but does not shrink from urban terrorism.

In addition to strategic and tactical calculations, the duration of the conflict plays a major role. Where a whole generation has grown up without sufficient education and has been involved in hostilities since childhood, society is brutalized and moral standards have declined. Similar phenomena can be found in post-conflict situations. Many people have learned how to use arms and some keep them when lacking confidence in the peace process. This phenomenon can be observed in Afghanistan, Iraq and some parts of the former Yugoslavia.

Both latent and manifest social conflicts are causes and driving forces behind terrorist activity. One has to give special consideration to this often underestimated bundle of factors for risk assessments of groups inclined towards, preparing for and engaging in terrorist campaigns.

### *Group dynamics*

Experts such as Jerrold Post and the late Ehud Sprinzak emphasize internal group dynamics when assessing the risk of groups turning to terrorism.\* The age of a group's members can serve as one indicator for the escalation of violence: the younger the group's members, the higher the risk of a terrorist campaign. Similar effects are to be expected if members and, in particular, leaders have ample experience of violence and the handling of weapons, in particular when they feel a need to project a daring image.

In general, a group tries to make optimal use of its available resources: it tries to escalate as far and as often as its means allow. However, if a weakened group feels cornered, its members tend to make every effort to appear powerful. In other words, a weakened insurgent group might pose an even higher risk of escalating a terrorist campaign than a confident, established group.

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\*This paragraph refers mainly to the core indicators developed by Post and Sprinzak [29]

## **Accelerators and decelerators**

Intervening factors acting as accelerators and decelerators speed up or slow down terrorist campaigns once other enabling factors indicate a high risk of a campaign of violence.

### *Accelerators*

A group already poised to engage in attacks tends to accelerate the finalization of its preparatory efforts when it feels threatened or humiliated by an opponent.\* The availability of resources is an ambiguous indicator, as both unexpected resources—organizational, financial or political—and resource-deprivation may accelerate a campaign. In the latter case, the campaign serves the projection of an image of combat-readiness even if the group's actual capabilities are close to zero.

External factors such as symbolic dates or, with even more accurate prognostic power, upcoming elections and peace negotiations, where a group can exhibit its spoiling capacity, are easier to monitor than intelligence-dependent, in-group variables.

Above all, Government counter-campaigns can show a serious accelerating impact, especially when they are accompanied by high numbers of civilian casualties that provoke calls for revenge. One such example is the escalation of attacks by the Al-Qaida network in terms of frequency, if not in terms of number of victims, since those of 11 September 2001 and the United States-led counter-terrorist campaign [27].

Terrorist violence usually adapts to the opponent's reaction. Spain, the United Kingdom and the Philippines have been following the principle of minimal violence. Therefore, the number of deaths and injured persons among insurgent groups such as ETA, PIRA and the Moro Islamic Liberation Front was relatively small. During protracted long periods of conflict, some Governments have made the opposite strategic choice. This has arguably contributed to the relatively high lethality rates of terrorist campaigns in those countries.

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\*Aum Shinrikyo brought forward its sarin gas attack after the group had been informed of an imminent police raid on the group's headquarters. Hoffman, B. (2001), p. 167. On the logic of revenge and retaliation, see Waldmann [23].

## *Decelerators*

It is not easy to find decelerators for terrorist campaigns, the more so because terrorist calculation is often based on doing the unexpected at the right moment. It can, however, be assumed that the opposite of an accelerator would be a decelerating factor. In the case of Government counter-terrorist campaigns, past experience has shown that moderate violence levels have a decelerating impact when the applied means are both legal and perceived as legitimate and appropriate.

A severe weakening, in terms of the loss of safe havens, charismatic leaders and essential sources of support, has, at least in the long run, de-escalating consequences. Since terrorism is a communicative strategy, not primarily a tool for military victories, it can also be restrained by the way news media cover incidents. If media coverage of terrorist incidents were less prominent and more reflective, public panic might decrease and attacking civilians might lose some of its “usefulness” as an instrument for propagating political demands.

However, to adopt responsible self-restrictive media guidelines is not easy in a commercialized media system where competition about viewer ratings strongly influences the decision-making process of editors.

## **Precipitants**

Once a terrorist campaign has been initiated, different types of precipitants indicate an approaching attack. For the interpretation of such precipitants, detailed and systematic information on the group’s internal situation is needed [7; 28]. As most of the efforts of intelligence agencies are focused on this area, only the most evident ones are listed here.

Preparatory measures are discernible from certain signs preceding a terrorist attack or series of attacks. The right interpretation of these signs opens the last window of opportunity for the prevention of an attack. Information that the group is assessing the risks of attacks is already to be classified as a precipitant [29: 76]. A United States expert on the early warning of terrorist attacks, Joshua Sinai, has developed a list of indicative signs that includes increasing capacities, exceptional activity in safe havens, as well as special training and recruitment [7].

As further signs of logistical preparations, one can add a rash of money transfers, the acquisition of weapons, explosives, false identity papers and the hiring of external know-how. Just before a group strikes, legitimating statements about violent action against the enemy tend to be made in certain circles, while the intensity of de-legitimization of the opponent rises [29: 76]. In addition, shortly before an attack one can observe the disappearance of key persons while surveillance of potential targets is on the rise. In the last phase of preparations, there can be an increase in internal violence, in particular against potential renegades. After all, the successful implementation of the plan should not be jeopardized in the very last phase [2: 165].

## **Conclusion**

In the present article, a medium-term level of proximate causes (see conceptual model above) was introduced in order to connect two coexistent approaches of early detection that are often considered incompatible: the analysis of long-term root causes and the analysis of short-term precipitants. Such proximate causes are situational conditions that increase the risk of insurgent groups launching terrorist campaigns.

Taking into consideration the single most specific characteristic of a terrorist strategy, namely, its strong communicative impetus, the role of target audiences in the decision-making process of the insurgent group was emphasized. In addition to a focus on internal group dynamics—a factor given high priority in most group risk assessments—four conflict situations that contain a high probability of terrorist campaigns were sketched: de-escalating low-intensity conflicts, escalating political conflicts, the appearance of new actors in an existing conflict setting and post-armed-conflict situations.

In combination with root causes and precipitants of terrorist campaigns, the identification of proximate causes enable the construction of a comprehensive, process-oriented early detection model. Only systematic work on early detection of signs of escalation will allow the fight against terrorism to become more proactive.

The present article has attempted to outline a conceptual model for the early detection of terrorist campaigns that involves a context-oriented approach to the study of the phenomenon so that long-, medium- and short-term preventive measures can be taken.



## ANNEX

### Thirty-six indicators for the early detection of terrorist campaigns

#### Root causes

1. Lack of democracy.
2. Human rights violations.
3. Illegitimate regimes.
4. The backing of illegitimate regimes.
5. High or rising distributive inequality.
6. Historical experience of violent conflict-waging.
7. Support for groups using terrorist means.
8. Vulnerability of modern democracies.
9. Failed States or safe havens outside State control.

#### Accelerators

1. Counter-terrorist campaign causing many victims to call for retaliation.
2. Humiliation of the group or its supporters.
3. Threat.
4. Peace talks.
5. Elections.
6. Symbolic dates.

#### Decelerators

1. Moderate counter-campaign using legitimate means.
2. Loss of charismatic leaders or key resources or territory for retreat.
3. Concessions to the group's political demands.
4. Responsible media coverage.

#### Proximate causes

1. Counter-strategy causing escalation of conflict.
2. Expectations of support group (especially diaspora(s)).
3. Declining or rising support.
4. Declining media coverage.
5. "Successful" rival groups.
6. Problems of internal group cohesion.
7. Group leader's personal image strategy.
8. De-escalating low-intensity conflict.
9. Escalating violent political conflict.
10. New actor in established conflict scenario.
11. Post-conflict situation.

#### Precipitants

1. Risk assessments of attacks.
2. Logistical preparations.
3. De-legitimization of the enemy.
4. Disappearance of key persons.
5. Rising interest in potential targets.
6. Increase in internal violence.

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## PART TWO

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### Notes and action



# A REVIEW OF THE COUNTER-TERRORISM ACTIVITIES OF THE UNITED NATIONS OFFICE ON DRUGS AND CRIME AND RECOMMENDATIONS FOR THE WAY FORWARD\*

by Jean-Paul Laborde\*\* and Brigitte Strobel-Shaw\*\*\*

## Abstract

The present article reviews the technical assistance activities of the Terrorism Prevention Branch of the United Nations Office on Drugs and Crime, highlights joint activities with other entities and covers issues of information-sharing and awareness-raising. It concludes with recommendations for the way forward.

## INTRODUCTION

The heinous acts of terrorism carried out in recent years, including the attack on the headquarters of the United Nations Assistance Mission for Iraq, in Baghdad, have resulted in enormous loss of life, many injuries and costly destruction of property. Subsequently, questions have been raised about the nature of the challenges facing the international community and how international cooperation among States and international and regional organizations may be strengthened to prevent, combat and ultimately eliminate international terrorism in all its forms and manifestations, wherever committed and whoever the perpetrators, since no single nation can achieve this alone.

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\*The views expressed in signed articles are those of the authors and do not necessarily reflect the views of the United Nations Secretariat.

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## **Technical assistance activities of the Terrorism Prevention Branch of the United Nations Office on Drugs and Crime**

The Global Programme against Terrorism was launched in October 2002 as a framework for the technical assistance activities of the Terrorism Prevention Branch of the Division for Treaty Affairs of the United Nations Office on Drugs and Crime and is implemented in close consultation with the Counter-Terrorism Committee of the United Nations Security Council. The Programme is mostly financed through voluntary contributions, which currently amount to just over US\$ 3.2 million.

The overall aim of the Programme is to respond promptly and efficiently to requests for counter-terrorism assistance in accordance with the priorities set by the Commission on Crime Prevention and Criminal Justice of the United Nations and the Counter-Terrorism Committee:

(a) By reviewing domestic legislation and providing advice on drafting laws;

(b) By providing in-depth assistance on the ratification and implementation of new legislation against terrorism through a mentorship programme;

(c) By providing and facilitating training for staff of national criminal justice systems on the utilization of new international legal instruments against terrorism.

International cooperation is another essential element of the Global Programme against Terrorism. The United Nations Office on Drugs and Crime, with its substantive expertise on international cooperation, is well placed to assist States in developing treaty relations at the bilateral, sub-regional and regional levels. This is done on the basis of model treaties, model laws and manuals on extradition and mutual legal assistance developed by the Office. Activities also take into account the relevant provisions contained in the universal anti-terrorism instruments, the United Nations Convention against Transnational Organized Crime, the United Nations Convention against Corruption, as well as the various drug conventions.

During the past 18 months, the Office has familiarized more than 500 lawmakers and law enforcement and other criminal justice officials from over 80 countries with the requirements of Security Council resolution 1373 (2001) and the requirements for ratifying and implementing the



universal anti-terrorism instruments and international cooperation arrangements. Specific national action plans have been developed jointly with Governments, legislative drafting committees have been established to study the provisions of the instruments and recommendations have been made to ministers regarding the ratification and implementation of legislation. This direct, country-specific assistance has been delivered to over 40 countries.

In order to enable countries from the same region to compare progress, learn from each other and harmonize legislative efforts, regional and sub-regional workshops have been held for the Baltic States, Belarus, the Russian Federation and Ukraine; for States members of the Organization of American States that had ratified the Inter-American Convention against Terrorism; for West and Central African States; as well as for Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro, and the former Yugoslav Republic of Macedonia; for States members of the Intergovernmental Authority on Development; and for the Central Asian States and States of the southern Caucasus. In addition, a study tour was organized for Portuguese-speaking countries and territories on the ratification and implementation of the United Nations conventions and protocols relating to the fight against organized crime and the universal anti-terrorism instruments. The workshops produced final documents focusing on the needs of participating States for follow-up technical assistance with regard to the ratification and implementation of the universal anti-terrorism instruments. The final declarations of those workshops have, *inter alia*, encouraged the development of a common front to combat terrorism in all its forms, called upon the United Nations Office on Drugs and Crime and the Office of the United Nations High Commissioner for Human Rights to develop joint technical assistance programmes on counter-terrorism and encouraged the use of the International Criminal Police Organization to ensure effective exchange of information in the area of counter-terrorism.

Indicators of the success of the work of the Office are the quality and timeliness of the assistance rendered, which has contributed to an increase in the number of States parties to the 12 universal anti-terrorism instruments. The Office monitors the status of ratification of each of the legal instruments in each country on a monthly basis. The assistance activities are testimony to the commitment of the Office to specific action against the scourge of terrorism.

## Tools for the delivery of technical assistance

*A Legislative Guide to The Universal Anti-Terrorism Conventions and Protocols\** was drafted by the Office on Drugs and Crime to encourage and help States ratify and implement the universal instruments. The *Guide* enhances the ability of the Office to respond to requests for legal technical assistance. It is available in the six official United Nations languages on the website of the Office on Drugs and Crime, together with examples of provisions from national legislation and material from other organizations ([www.unodc.org/unodc/terrorism\\_documents.html](http://www.unodc.org/unodc/terrorism_documents.html)). The guide contains drafting resources, as well as illustrative model laws, and is accompanied by checklists containing the convention requirements. In addition, the Office maintains a legal database of relevant legislation from over 130 countries, which it uses as an in-house tool to support the delivery of technical assistance.

In order to upgrade skills in the field of international cooperation, the Office, with the cooperation of the International Institute of Higher Studies in Criminal Sciences and the Monitoring Centre on Organized Crime, develops manuals and model legislation on extradition and mutual legal assistance, as well as training workshops on international cooperation in terrorism cases.

With the assistance of the International Centre for Criminal Law Reform and Criminal Justice Policy and the Institute for Security Studies in South Africa, the Office organized a meeting of experts to consider a compilation of international legal instruments, declarations and models pertaining to terrorism, related forms of crime and international cooperation. The experts proposed 10 guidelines for the provision of technical assistance by the Office, including the use of an integrated approach addressing the requirements and other provisions of Security Council resolution 1373 (2001) and all the conventions and protocols relevant to preventing and combating international terrorism, drug trafficking, transnational organized crime and other related forms of criminal activity, and incorporating recognized human rights protections. They also suggested that the Office should develop an implementation guide to update the existing legislative guide to the universal anti-terrorism conventions and protocols, incorporating the experience gained in its technical assistance activities.

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\*United Nations publication, Sales No. E.04.V.7.

## **Links between terrorism and other forms of crime and need for synergies in technical assistance delivery**

In its resolution 1373 of 28 September 2001, the Security Council noted the close connection between international terrorism and transnational organized crime, illicit drugs, money-laundering, illegal arms-trafficking and the illegal movement of nuclear, chemical, biological and other potentially deadly materials. Since the work of the Office on Drugs and Crime focuses on many of these areas, it is essential for the Office to find out more about such links and to explore new sets of paradigms in the delivery of technical assistance. The General Assembly, in its resolution 58/136 of 22 December 2003, invited Member States to provide the Secretary-General with information on the nature of links between terrorism and other forms of crime in order to increase synergies in the delivery of technical assistance.

The information received in response to the subsequent survey indicated that, in those cases where there were perceived links between terrorism and other forms of crime, those links were mostly of a logistical or financial nature, denoting the presence of alliances of convenience. Many countries indicated that the aim of terrorist groups in committing other crimes was often to obtain financial or other means to commit terrorist acts. In the absence of other means of support, some terrorist groups had become involved in various forms of lucrative crime in order to support themselves and finance their main activities. In addition, in the absence of normal access to some of the means required to carry out terrorist activities, terrorist groups had become involved in various crimes in order to procure such means, including illicit firearms and falsified travel and identity or other official documents.

Participants in a meeting of experts organized by the Office in cooperation with the Institute for Security Studies in South Africa, when evaluating the findings of the survey, acknowledged the difficulty of obtaining reliable data to document and describe linkages between criminal groups and terrorist groups or between terrorist and other criminal activities. The task is, in many cases, further complicated by the absence of criminalization in certain national legislations, by issues of definition and by a lack of complete information and inadequate record-keeping. The participants proposed that countries strengthen their actions against terrorism by focusing their attention on other forms of criminal activity that preceded or accompanied terrorist crimes. Full use should be made of other appropriate international instruments to pursue crimes related to terrorism. In particular, States were encouraged to utilize the mutual legal assistance and extradition provisions

of instruments such as the United Nations Convention against Transnational Organized Crime. The meeting also highlighted the need for technical assistance activities and the responses of Member States to such criminal activities to be comprehensive and integrated. There was consensus that the Office should provide technical assistance to enhance the capacity of requesting States to prevent and combat terrorist acts and other forms of serious crime simultaneously. Specifically, technical assistance missions, tools and training efforts should be integrated, where feasible, so that they would address jurisdictional, procedural and international cooperation issues common to the fight against terrorism, drug trafficking, transnational organized crime, money-laundering, corruption and other forms of serious crime. Such an integrated approach, in particular when closely coordinated with bilateral assistance and with other efforts of international, regional and subregional organizations under the leadership of the Counter-Terrorism Committee, would hold the greatest promise of achieving the increased synergies envisioned by the General Assembly in its resolution 58/136.

### **Joint activities**

The implementation of the Global Programme against Terrorism has made the Terrorism Prevention Branch a key partner for technical assistance of the Counter-Terrorism Committee. The relationship between the Branch and the Committee is complementary and synergistic. While the Committee analyses reports received from Member States and facilitates the provision of technical assistance to requesting States, the Branch, with its substantive expertise, delivers that assistance. Regular working contacts with the Committee are maintained, in particular through reports to its Technical Assistance Team and joint efforts to identify countries with a priority need for legal assistance. In that context, the Committee directs incoming requests for assistance from countries to the United Nations Office on Drugs and Crime. Partnerships and collaborative ties have been established, not only with the Counter-Terrorism Committee, but also with the Office of Legal Affairs of the United Nations Secretariat and with regional organizations such as the Organization for Security and Cooperation in Europe (OSCE). As a follow-up to the meeting organized by the Counter-Terrorism Committee on 6 March 2003, OSCE and the Office hosted a meeting of international, regional and subregional organizations, held in Vienna in March 2004. The overall theme of the meeting, which was attended by the chairperson and members of the Counter-Terrorism Committee, was strengthening practical cooperation between regional and

international organizations. The meeting resulted in the Vienna Declaration (S/2004/276, annex), in which the 40 participating organizations committed themselves to undertaking joint activities to strengthen cooperation. The proceedings of the meeting were published as a joint OSCE/United Nations Office on Drugs and Crime publication.

With regard to partnerships with national ministries, a precedent has been set with the cooperative arrangements of the Office with the Office of Prosecutorial Development, Assistance and Training of the United States Department of Justice and with the International Criminal Investigative Training Assistance Program for the purpose of improving transnational judicial assistance, including legislative drafting, development of skills and institution-building. Joint assistance activities for specific regions are also being implemented with the Organization of American States for countries in Central and South America, with OSCE in Central Asian States, with the Council of Europe for Eastern European countries and with the African Union for members of the Intergovernmental Authority on Development. Representatives of the International Monetary Fund have joined the Terrorism Prevention Branch on missions to provide legal advisory services related to the financing of terrorism.

## **The way ahead**

Building on the pilot work carried out in 2003 and on the testing of the new technical assistance tools developed in that year, the future focus of activities will continue to be on providing assistance to States, upon request, on the ratification and implementation of the universal anti-terrorism instruments, thereby contributing to the implementation of Security Council resolution 1373 (2001). The Office on Drugs and Crime will continue to deliver high-quality technical counter-terrorism assistance in legal advisory services, with a focus on practical and operational assistance activities in a priority area: the ratification and implementation of the international conventions against terrorism.

The capacity of the Office to deliver technical assistance has been enhanced in the operational area through its presence at the country and subregional levels as a result of placing experts in the field. This has been assisted by the conversion of offices of the United Nations Drug Control Programme to field offices of the Office on Drugs and Crime, as well as by creating new partnerships. Additional efforts will be made to utilize the power of partnerships to the full.

The General Assembly, in its resolution 58/136, expressed its appreciation to donor countries for voluntary contributions that had supported the launching of the Global Programme against Terrorism and invited all States to make voluntary contributions to the United Nations Crime Prevention and Criminal Justice Fund. The further growth in operational activities, in the number of requests for assistance and the continued support being provided for the ratification and implementation of the universal anti-terrorism instruments have stretched the limited resources available. Additional voluntary contributions and cost-sharing arrangements with assisted countries are essential. The goal of the Office in 2003 was to broaden its donor base and encourage its current donors to increase their voluntary contributions. In the future, while pursuing the broadening of the donor base, the strategy will also aim at increasing the volume of contributions to the Programme as such, instead of earmarking contributions for specific technical assistance projects. This is of particular importance if the Office is to fulfil all its mandates.

The main priorities for the technical assistance activities of the United Nations Crime Prevention and Criminal Justice Programme are fostering international cooperation and strengthening national capacity in, *inter alia*, promoting anti-terrorism policies and measures. As a consequence, major elements of the future work programme will be the facilitation and provision of capacity-building assistance to strengthen international cooperation and to provide assistance for the implementation of the universal legal instruments.

Future activities envisaged include support for the creation of central authorities to deal with requests for international cooperation and special units for the implementation of the universal instruments against terrorism, in particular the strengthening of international cooperation arrangements. International judicial cooperation is of great importance in the fight against terrorism. The international community has developed the necessary legal instruments for international cooperation. The Office on Drugs and Crime must respond to the challenge, broadening the assistance provided to prosecutors, judges and other law enforcement practitioners, to put those instruments to good use. The challenge is to establish a legal system of effective and fair criminal justice across the globe, thus increasing human security. The Office is well positioned to expand its activities to implementation assistance, with particular emphasis on international cooperation.

# THE COUNTER-TERRORISM COMMITTEE AND SECURITY COUNCIL RESOLUTION 1373 (2001)

by Walter Gehr\*

## Abstract

After the events of 11 September 2001, the United Nations Security Council adopted resolution 1373 (2001) of 28 September 2001, by which it established the Counter-Terrorism Committee, mandated to monitor the implementation of resolution 1373 (2001). The present article discusses the various legal issues dealt with by the Committee, whose unprecedented work has been called exemplary by the United Nations Secretary-General. The Committee recommends the United Nations Office on Drugs and Crime to countries in need of legislative assistance for the drafting of appropriate counter-terrorism laws that duly take into account the obligations contained in resolution 1373 (2001) and in the 12 universal conventions and protocols related to the prevention and suppression of terrorism. Security Council resolution 1535 (2004) of 26 March 2004 explicitly mentions the Office in this context.

## The institutional framework

On 28 September 2001, the United Nations Security Council, acting under Chapter VII of the Charter, adopted resolution 1373 (2001). Hence, decisions reflected in resolution 1373 (2001) are legally binding upon Member States of the United Nations. Together with the 12 international conventions and protocols against terrorism, the resolution has become one of the pillars of the global legal framework for the prevention and suppression of terrorism.\*\*

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\*\*Convention on Offences and Certain Other Acts Committed on Board Aircraft (1963); Convention for the Suppression of Unlawful Seizure of Aircraft (1970); Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation (1971); Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents (1973); International Convention against the Taking of Hostages (1979);

In paragraph 6 of its resolution 1373 (2001), the Security Council decided to establish the Counter-Terrorism Committee, with the mandate to monitor implementation of the resolution on the basis of reports sent by States to the Committee,\* with the assistance of experts.\*\* The Committee consists of the 15 States members of the Security Council.

In December 2004, the Chairman of the Committee was Ambassador Andrey I. Denisov (Russian Federation).\*\*\* Its vice-chairmen were Ambassador Abdallah Baali (Algeria), Ambassador Ismael Abraão Gaspar Martins (Angola) and Ambassador Ronaldo Mota Sardenberg (Brazil).

The Committee does not involve itself in day-to-day political developments.\*\*\*\* It is not meant as a forum to solve problems that are the responsibility of the General Assembly, in particular defining terrorism, or otherwise solving some of the sensitive political issues that are directly or indirectly associated with the fight against terrorism.

The Committee is not a tribunal and does not judge States, but it does expect every State to implement expeditiously the far-reaching obligations

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Convention on the Physical Protection of Nuclear Material (1980); Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation (1988); Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation (1988); Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms Located on the Continental Shelf (1988); Convention on the Marking of Plastic Explosives for the Purpose of Detection (1991); International Convention for the Suppression of Terrorist Bombings (1997); and International Convention for the Suppression of the Financing of Terrorism (1999).

\*As at 4 December 2003, the Counter-Terrorism Committee had received 440 reports from Member States and others: these included 191 initial reports from Member States and 5 from others, 100 second reports from Member States and 2 from others, and 71 third reports from Member States. As at that date, all Member States of the United Nations had submitted their initial reports; however, as at 30 September 2003, approximately 45 Member States were late in submitting their reports.

\*\*In the period from January to October 2002, the experts were nationals of Australia, Austria, the Bahamas, France, India, Jamaica, the Netherlands, Peru, Spain and Tunisia. On 17 November 2003, they were from the Bahamas, Brazil, Canada, Chile, Egypt, France, Jamaica, the Russian Federation and South Africa.

\*\*\*Ambassador A. I. Denisov is the fourth Chairman of the Counter-Terrorism Committee; the earlier chairmen were Ambassador J. Greenstock (United Kingdom of Great Britain and Northern Ireland), Ambassador I. F. Arias (Spain) and Ambassador A.V. Konuzin (Russian Federation).

\*\*\*\*The Security Council nevertheless has itself condemned specific terrorist attacks, such as the bomb attacks in Madrid of 11 March 2004 (resolution 1530 (2004) of 11 March 2004), the bomb attacks in Istanbul, Turkey, of 15 and 20 November 2003 (resolution 1516 (2003) of 20 November 2003), the bomb attack of 7 February 2003 in Bogotá (resolution 1465 (2003) of 13 February 2003), the bomb attack and the missile attack of 28 November 2002 in Kenya (resolution 1450 (2002) of 13 December 2002) and the hostage-taking of 23 October 2002 in the Russian Federation (resolution 1440 (2002) of 24 October 2002).



of Council resolution 1373 (2001).<sup>\*</sup> The Committee is intended to facilitate assistance to States to upgrade their capabilities; to deny space, money, support and safe havens to terrorism; and to establish a network of information-sharing and cooperative executive action, including with international institutions such as the International Criminal Police Organization (Interpol), the Financial Action Task Force on Money Laundering<sup>\*\*</sup> and the International Civil Aviation Organization. Some have called resolution 1373 (2001) a unique resolution in the history of the work of the Security Council.

In order to ensure transparency in its work, the Committee maintains a website ([www.un.org/sc/ctc](http://www.un.org/sc/ctc)) providing access to documents, including the text of Council resolution 1373 (2001), reports from Member States, a directory of assistance, a speech given to the Committee by the late Sergio Vieira de Mello,<sup>\*\*\*</sup> then United Nations High Commissioner for Human Rights, and an inventory of Group of Eight counter-terrorism and transnational crime best practices.

The Committee has now been engaged in evaluating the reports submitted by Member States over a period of three years. The insight that this analysis must go hand in hand with an improved implementation of the Committee's recommendations, prompted the Security Council to adopt resolution 1535 (2004) on 26 March 2004 to give the Committee a more institutionalized character through the creation of a Counter-Terrorism Committee Executive Directorate. According to resolution 1535 (2004), the Committee will also visit States, with the consent of the State concerned, to engage in a detailed discussion to monitor the implementation of resolution 1373 (2001). Where appropriate, such visits should be conducted in cooperation with the Terrorism Prevention Branch of the United Nations Office on Drugs and Crime (UNODC) or with other relevant

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<sup>\*</sup>Sir Jeremy Greenstock, then Chairman of the Counter-Terrorism Committee, speaking at the Security Council on 4 October 2000 (see *Official Records of the Security Council, Fifty-seventh Year*, 4618th meeting).

<sup>\*\*</sup>The website of the Financial Action Task Force on Money Laundering is at [www.fatf-gafi.org](http://www.fatf-gafi.org).

<sup>\*\*\*</sup>Sergio Vieira de Mello along with 21 colleagues was killed in a terrorist attack on the headquarters of the United Nations Assistance Mission for Iraq in Baghdad on 19 August 2003. This event led to the adoption of resolution 1502 (2003) of 26 August 2003, in which the Security Council expressed its determination to take appropriate steps in order to ensure the safety and security of humanitarian personnel and United Nations and associated personnel, in particular by requesting the Secretary-General to seek inclusion of, and that host countries include, key provisions of the Convention on the Safety of United Nations and Associated Personnel, in future as well as, if necessary, in existing status-of-forces, status-of-mission and host country agreements negotiated between the United Nations and those countries.

intergovernmental bodies. On 18 May 2004, the Secretary-General appointed Ambassador Javier Rupérez (Spain) as Executive Director of the Counter-Terrorism Committee Executive Directorate.

### **The substantive provisions of resolution 1373 (2001)**

Operative paragraphs 1, 2 and 3 of Security Council resolution 1373 (2001) contain the substantive provisions of that resolution and, in particular the legal obligations States are requested to implement. These deal largely with the following issues:

(a) Prevention and suppression of the financing of terrorism (operative para. 1);

(b) Prevention and criminalization of acts of terrorism (operative para. 2);

(c) International cooperation, as well as ratification and implementation of the 12 international conventions and protocols relating to terrorism (operative para. 3).

In the view of the Counter-Terrorism Committee team of experts, subparagraphs 2 (d) and (e) are the key provisions of the resolution. Consequently, effective implementation of the resolution requires each State to criminalize the use of its territory for the purpose of financing, planning, facilitating or committing terrorist acts against other States or their citizens.

Effective implementation of resolution 1373 (2001) therefore requires such measures as:

(a) The criminalization of the financing of terrorism in accordance with articles 2 and 4 of the International Convention for the Suppression of the Financing of Terrorism (General Assembly resolution 54/109, annex);

(b) Ensuring that claims of political motivation are not recognized as grounds for refusing requests for the extradition of alleged terrorists.

Resolution 1373 (2001) does not contain a definition of the term “terrorism”; however, operative paragraph 3 of Security Council resolution 1566 (2004) of 8 October 2004 contains what some call a description of terrorist acts.

## Relationship with the Al-Qaida and Taliban Committee of the Security Council

The Committee established by the Security Council pursuant to paragraph 6 of resolution 1267 (1999) of 15 October 1999 (hereafter referred to as the 1267 Committee) oversees the implementation by States of the sanctions imposed by the Council on individuals and entities belonging or related to the Taliban, Osama bin Laden and the Al-Qaida organization and maintains a list of individuals and entities for this purpose. In resolutions 1267 (1999), 1333 (2000) of 19 December 2000, 1390 (2002) of 16 January 2002, 1455 (2003) of 17 January 2003 and 1526 (2004) of 30 January 2004, the Council obliged all States to freeze the assets of, prevent the entry into or the transit through their territories of individuals or entities included on the list, and prevent the direct or indirect supply, sale and transfer of arms and military equipment to those individuals or entities.

Since resolution 1390 (2002), in its operative paragraph 4, confirms that resolution 1373 (2001) is fully applicable to the members of the Taliban and the Al-Qaida organization, overlap between the 1267 Committee and the Counter-Terrorism Committee is unavoidable. The consolidation of the two committees into a single body may therefore make sense.\*

## Assistance

Security Council resolution 1377 (2001) of 12 November 2001 invited the Counter-Terrorism Committee to explore ways in which States could be assisted in, as well as the availability of existing technical, financial, legislative or other assistance programmes that might facilitate, the implementation of resolution 1373 (2001). A Counter-Terrorism Committee Directory of Counter-Terrorism Information and Sources of Assistance can be accessed online at [www.un.org/Docs/sc/committees/1373/ctc\\_da/index.html](http://www.un.org/Docs/sc/committees/1373/ctc_da/index.html). A number of States and international organizations have offered to provide assistance.

UNODC has started a programme of legal assistance for the implementation of the 12 international conventions and protocols related to terrorism and Security Council resolution 1373 (2001). UNODC's assistance work

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\*See Eric Rosand, "The Security Council's Efforts to Monitor the Implementation of Al Qaeda/Taliban Sanctions", *American Journal of International Law*, vol. 98, No. 4 (2004), pp. 745-762.

is recommended by the Counter-Terrorism Committee to States in need of legal advisory services in the area of counter-terrorism. A *Legislative Guide to the Universal Anti-Terrorism Conventions and Protocols*\* is available on the websites of both the Counter-Terrorism Committee and UNODC ([www.unodc.org/pdf/crime/terrorism/explanatory\\_english2.pdf](http://www.unodc.org/pdf/crime/terrorism/explanatory_english2.pdf)). A UNODC model money-laundering, proceeds of crime and terrorist financing bill, 2003, is available at [www.imolin.org/imolin/poctf03.html](http://www.imolin.org/imolin/poctf03.html).

## Human rights

The Counter-Terrorism Committee is mandated to monitor the implementation of Security Council resolution 1373 (2001); however, monitoring performance against other international conventions, including human rights law, is outside the scope of the Committee's mandate.\*\* However, the Committee is aware of the interaction of its work with human rights concerns, inter alia through the contact the Committee has developed with the Office of the United Nations High Commissioner for Human Rights.\*\*\* The Committee welcomes parallel monitoring of observance of human rights obligations and is also operating transparently so that concerned non-governmental organizations can bring relevant issues to the Committee's attention or follow up within the established human rights machinery.\*\*\*\*

A ministerial declaration adopted by the Security Council in its resolution 1456 (2003) of 20 January 2003 specifically requires States to:

*“... ensure that any measure taken to combat terrorism comply with all their obligations under international law, and should adopt such measures in accordance with international law, in particular international human rights, refugee, and humanitarian law”.*

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\*United Nations publication, Sales No. E.04.V.7.

\*\*The expression “international standards of human rights” appears in subparagraph 3 (f) of Council resolution 1373 (2001).

\*\*\*Office of the United Nations High Commissioner for Human Rights, *Digest of Jurisprudence of the UN and Regional Organizations on the Protection of Human Rights while Countering Terrorism*, available at the website of the Counter-Terrorism Committee and at <http://www.unhchr.ch/html/menu6/2/digest.doc>.

\*\*\*\*The preceding paragraph essentially follows the relevant part of a presentation made by Jeremy Greenstock in Vienna in June 2002; see Sir Jeremy Greenstock, “Work of the Counter-Terrorism Committee of the Security Council”, United Nations Office on Drugs and Crime, *Combating International Terrorism: the Contribution of the United Nations: Proceedings of a Symposium held at the Vienna International Centre, Austria, 3-4 June 2002* (New York, United Nations, 2003), p. 39.

In his statement to the Security Council on 4 October 2002, on the occasion of the one-year anniversary of the establishment of the Counter-Terrorism Committee, the United Nations Secretary-General said: “*By their very nature, terrorist acts are grave violations of human rights. Therefore, to pursue security at the expense of human rights is short-sighted, self-contradictory, and, in the long run, self-defeating*”.\*

## References

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\*See also preambular paragraph 15 of General Assembly resolution 56/160 of 19 December 2001 entitled “Human rights and terrorism”.



# **COPING WITH TERRORIST THREATS AT MAJOR EVENTS: OUTCOME OF WORKSHOPS ORGANIZED BY THE UNITED NATIONS INTERREGIONAL CRIME AND JUSTICE RESEARCH INSTITUTE**

by Francesco Cappé\* and Stefano Betti\*\*

## **Abstract**

Exchanging best practices, information and expertise at the international level is the purpose of regular closed-door meetings organized by the United Nations Interregional Crime and Justice Research Institute and the European Police Office (Europol) within the framework of a recently established group known as the International Permanent Observatory on Security Measures during Major Events. Each meeting has focused on specific topics, such as accreditation, transport systems and the threat of weapons of mass destruction. The expectation is that the Observatory will become a permanent instrument at the disposal of law enforcement agencies and other entities active in the area of security management.

## **Establishment of an International Permanent Observatory on Security Measures during Major Events**

Within the framework of its International Terrorism Prevention Programme and in cooperation with the European Police Office (Europol), the United Nations Interregional Crime and Justice Research Institute has set up an International Permanent Observatory on Security Measures during Major Events. One of the central activities of the Observatory consists in holding a series of closed-door meetings, where representatives of national and international law enforcement agencies gather to exchange information, best practices and expertise in order to strengthen security planning for and security management during major events.

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The expression “major events” is intended to cover various kinds of events, ranging from sporting ones such as the European Football Cup and the Olympic Games, to large political gatherings and other high-profile events.\*

In this context, the issue of terrorism prevention is prominent on the agenda of the meetings. Significant parts of the discussions by the experts attending the meetings have addressed this specific concern, based on the understanding that major events represent the ideal stage for terrorists, owing to their high visibility and their vulnerability to large-scale attacks that could frighten and demoralize the public, advertise the causes of terrorist groups and impress the supporters of those groups.

### **The preliminary meeting**

The preliminary meeting, held on 17 June 2002, focused on the security issues that typically arise during the organization of the Olympic Games. Special emphasis was placed on the forthcoming Olympic Winter Games, to be held in Turin, Italy, in 2006. Some participants highlighted the need to take into consideration the specific features of the surrounding territory that contributed to making an Olympic site more or less vulnerable.

Experts who had been directly involved in training and security management for the Olympic Winter Games held in Salt Lake City, United States of America, in 2002 attended the meeting. Their participation contributed fresh expertise and stimulated a significant part of the discussion to focus on the extent to which strategies and programmes implemented in Salt Lake City could be successfully applied to the Turin context. It was agreed that the Piedmont area of Italy presented a number of challenges, making it more vulnerable than Salt Lake City from the point of view of security planning.

One point that was raised concerned the need to design a comprehensive training programme for security officers, which should be properly integrated in the planning phase and followed up by desk and field exercises based on scenarios envisaging a range of terrorism-related contingencies.

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\*The United Nations Interregional Crime and Justice Research Institute and Europol are currently working on the formulation of a definition of the term “major event”.



## **The first meeting: the official opening of the Observatory**

The first closed-door meeting,\* held on 8 February 2003, analysed in more depth the issues discussed during the preliminary meeting and briefly touched upon the threat arising from biological and chemical weapons.

“Olympic security is a cumulative science; the organization of each event builds upon the experience of the others”. These words of one of the participants capture the “lessons-learned” aspect of the meeting well. One advantage of drawing from past experience is the fact that such an approach allows security planners to adopt prevention strategies already successfully employed in countries with a similar law enforcement structure. The analysis of previous best practices was relevant for addressing the often sensitive working relationship that exists between law enforcement agencies and the organizing committees of events.\*\*

Some participants emphasized the importance of ensuring that the security component of the Games was managed with a light touch, that is, that it should not impinge on the spectators’ enjoyment. The Norwegian police force, for example, chose the slogan “Security with a smile” to exemplify the need to reach a balance between a high level of security and the preservation of the enjoyable character of the event. Other participants questioned the possibility and even the advisability of following this course of action in all circumstances. The Salt Lake City Olympic Winter Games, for example, had taken place in the aftermath of the terrorist attacks of 11 September 2001 in the United States, when the public welcomed the strong reassuring presence of security agents.

## **The second meeting: accreditation and transport security**

At the second closed-door meeting, held on 30 and 31 May 2003, representatives from the Copenhagen police, the United Nations Monitoring, Verification and Inspection Commission and the United European Football

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\*Participation at the meeting included the Terrorism Prevention Branch of the United Nations Office on Drugs and Crime and the Office of Legal Affairs of the Secretariat. Also attending, among others, were representatives of the International Olympic Committee and of law enforcement and security services of Greece, Italy and the United States of America.

\*\*For example, the agreement on security for the 1994 Olympic Winter Games, held in Lillehammer, Norway, signed by the Organizing Committee, the Norwegian police and other security agencies, was based on that signed for the Olympic Winter Games held in Calgary, Canada, in 1988.

Association participated. The topics discussed were accreditation and transport security.\*

The importance of a careful choice of accreditation system was repeatedly stressed: it was essential that the credentials of persons entering the Olympic sites were carefully checked. One expert suggested that the use of biometrics would ensure that the accreditation system was secure. In Salt Lake City, biometric scanners had been used to identify athletes and officials entering sensitive areas and nearly 1,000 detectors had been installed to screen visitors. It was recalled that the terrorists who had disrupted the Munich Olympic Games in 1972 had known exactly where the Israeli athletes were and how to enter the site—thanks to information provided by the architect who had built the Olympic village.

Other interesting insights emerged from an analysis of the measures implemented by Portugal in preparation for the 2004 European Football Cup. These were part of an innovative model of security management based on the sharing of responsibilities between the Government, the organizers of the event and the owner of the stadium. They included the establishment of a national coordination unit for the collection, analysis and transmission of all police intelligence related to hooligans and sport-related violence, as well as a ticketing system based on the issue of a limited amount of tickets per match, with strict checking of the identity of each client.

### **The third meeting: the threat of weapons of mass destruction**

The third closed-door meeting, held in Lisbon in October 2003, focused on rethinking the security planning for major events in the light of the new risks of weapons of mass destruction and suicide attacks. For the first time, the Observatory was hosted by a Government, that of Portugal, in view of the forthcoming European Football Cup, which was held in Portugal in 2004.

Once again, international experts participated in the meeting, including a representative of the Ministry of the Interior of the Russian Federation, an

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\*The discussion focused mainly on accreditation systems since, according to the participants, many countries felt these were crucial in view of numerous forthcoming events, including the Portugal 2004 European Football Cup, the Athens 2004 Olympic Summer Games, the Bormio 2005 Alpine World Ski Championship, the Turin 2006 Olympic Winter Games, the Germany 2006 World Football Cup and the Beijing 2008 Olympic Summer Games.

official from the British Police National Chemical, Biological, Radiological and Nuclear (CBRN) Centre and an expert from the Rapid Alert System for Biological and Chemical Attacks and Threats (BICHAT). BICHAT is one of the new instruments of the Health Threats Unit of the European Commission; it was created to improve cooperation in the European Union on preparedness and response to attacks using biological and chemical agents.

## **Conclusion**

The Observatory has received excellent feedback from national and international entities. The three closed-door meetings organized to date have successfully addressed both technical and non-technical aspects of security during major events, thus demonstrating their usefulness to security advisers and planners.

Through the Observatory, the United Nations Interregional Crime and Justice Research Institute and Europol are aiming to disseminate know-how and promote the sharing of best practices. It is hoped that the Observatory may complement the work of law enforcement agencies and other entities active in the area of security management and become a permanent instrument at their disposal by attracting the regular involvement of all institutions dealing with the various aspects of terrorism prevention.



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