Global Poverty, Inequality, and Transnational Terrorism: A Research Note

By James A. Piazza

“No-one in this world can feel comfortable, or safe, while so many are suffering and deprived.”

Secretary General of the United Nations, Kofi Annan
March 22, 2002
Monterey, Mexico

Among politicians and political figures within the media and throughout the general public, the idea that transnational terrorism is a predictable consequence of global poverty and the unequal distribution of global wealth remains quite popular. This belief rests on an essentially reasonable premise: If citizens of a country are denied the means to satisfy their basic human needs, are deprived of access to reasonable economic opportunities, or are faced with glaring levels of socioeconomic inequality; they will become hopeless and enraged and may view political violence as an acceptable means for redressing their grievances. Because political moderation and trust in the established system to address society’s problems rest upon a healthy and prosperous economy, economic distress increases the appeal of radicalism in the eyes of ordinarily reasonable and moderate people.

Linking terrorism and wealth distribution is also politically attractive because it prompts a straightforward policy response to the problem and aids policymakers in creating political support for that policy response. If poverty and inequality cause terrorism; world leaders, media figures, analysts and ordinary people can embrace a causal framework through which something can be done to stop terrorism. Concluding that terrorism is caused by bad conditions - rather than by “bad people” or other abstractions - facilitates a concrete policy response. Furthermore, because of the prevailing belief that poverty, inequality, or poor economic developments are causes of terrorism, politicians are able to harness this belief to build political support behind antipoverty policies. Politicians may use these beliefs to communicate two very strong messages: (1) one can do something to reduce or even stop terrorism; which is to reduce or eliminate global economic want; and (2) to continue to ignore global poverty or inequality is to continue to place the world and its citizens in mortal danger. Indeed a very wide range of public figures have communicated these very messages, including President George W. Bush, former President Bill Clinton, former U.S. Secretary of State Colin Powell, former Secretary General of the United Nations Kofi Annan, and Nobel Laureate Desmond Tutu. [1]

Reducing or eradicating global poverty or what former U.S. President Bill Clinton referred to as the “dark side of globalization” [2] – the yawning gap in wealth between the industrialized and the developing countries – is, without question, a worthwhile objective for policymakers. But will it lead to a reduction in transnational terrorism? A spate of recent scholarship suggests that it will not. To date, there is no evidence that that convincingly demonstrates that countries with low levels of economic development, high
rates of unemployment, poor rates of economic growth, high levels of income inequality, and high levels of malnutrition have higher levels of terrorism. [3] It is also not the case that perpetrators of terrorist attacks are more likely to be poor themselves, have low levels of education, high rates of unemployment, or to hail from impoverished countries. [4] Moreover, these findings seem to stand up whether they are derived from individual, group, subnational, regional, or cross-national studies. [5]

A Global Analysis

Are poverty and international inequality predictors of terrorism when looked at from a global perspective? Are changes in levels of global poverty and changes in the distribution of global wealth related to fluctuations of transnational terrorist activity? For several reasons the unique nature of transnational terrorism makes a global analysis, rather than a country-specific or cross-national examination, particularly useful. First, the country locations of transnational terrorist attacks may not be linked to the socio-economic conditions that produce terrorism in the first place. Rather, countries attacked by transnational terrorists might be selected on the basis of local security dynamics, the international prominence of the target, the likelihood that local media will cover the attack, or the softness of the target. Second, as globalization progresses, domestic political economies are more likely to be affected by global processes, leading in turn, to a general globalization of socio-economic and political conflict. Transnational terrorism is more likely to be a reaction to these globalized conflicts. Finally, the theory of blowback posits that transnational terrorism is a counter-reaction to change in global hegemony, both security and economic hegemony, and resistance to dominant paradigms, one of which may be the current structure of the international economic system. A global study, in which the entire international system is the unit of analysis, is well positioned to capture the most important economic forces that are popularly argued to cause transnational terrorism.

This brief research note examines transnational terrorism by employing a global perspective using data on transnational terrorist attacks derived from Terrorism Knowledge Base (TKB) provided by the Rand Corporation and the Memorial Institute for the Prevention of Terrorism. [6] The TKB collects open source data on transnational terrorist attacks – defined as attacks in which the perpetrator(s) and the victim(s) come from different countries – for the years 1972 to the present day and is regarded as a reputable and reliable database. [7] The analysis compares annual total rate of transnational terrorist attacks in the world to two other variables that encompass the popular focus on global poverty and inequality of wealth distribution. First, attacks are compared to the annual percentage of the world’s population designated as ‘in poverty’ by Chen and Ravallion, though figures are available only from 1982. [8] Second, attacks are compared to the annual gross domestic product differential between those countries designated as “high income” versus those designated as “low income” by the United Nations Development Program. [9] The annual total rate of transnational terrorist attacks in the world is plotted against these two variables to create three time-series charts represented in Figures 1 through 4. Also, results of Pearson’s r Correlation, coefficients are included in the charts with two-tailed significance tests.
Results

In the first two time-series charts, Figures 1 and 2, there is no real evidence of a significant relationship between measures of global poverty and inequality and incidents of transnational terrorism. The rate of annual transnational terrorist attacks fluctuates wildly across the time-series independent from the percentage of the world’s population classified as impoverished and the significant growth of global inequality.

However, a closer examination of the annual rate of attacks yields an interesting pattern. There are five peaks of transnational terrorist attacks – in 1976, 1982, 1985, 1991 and 2004. There is a significant decrease at the end of the 1990s, with 2000 representing the nadir. The 1980s is the most active period for transnational terrorism, and this corresponds with the observations of many qualitative studies of global terrorism. The most dramatic spike in attacks occurs between 2001 and 2004, largely due to the increased terrorist activities within Iraq. Between 2003, the start of the U.S. invasion and occupation of Iraq, and 2006, an average of 36.6 percent of all transnational attacks occurred within Iraq. In 2004, transnational attacks in Iraq accounted for 61.3 percent of total worldwide attacks for the year. Iraq after 2003 is an outlier, producing a large percentage of total attacks at the end of the time-series. When these attacks are excluded from the data, the results show a somewhat different picture.

In Figure 3, a significant positive relationship between poverty and transnational terrorism is evident. The gradual decrease of poverty – from 66.9 percent of the world’s population in 1982 to 47.6 percent – is accompanied by a net decrease in terrorist attacks from 300 to 182. However, as demonstrated in Figure 4, no corresponding relationship is evident between the steadily widening wealth gap between high and low income countries from 1972 to 2006 – the gross domestic product of high income countries increased from 29.9 times the size of low income countries to 61.8 – and change in the frequency of transnational terrorism.

Conclusion

Clearly these results do not provide compelling evidence that global poverty and global inequality are precipitants of terrorism – certainly not of the type that could support the rather confident assumptions underlying much of the policymaking world’s statements about the root causes of transnational terrorism. But, they do provide the possibility that economic development could play a part in antiterrorism efforts by demonstrating that transnational attacks co-vary with levels of total people in poverty in the world. Further empirical investigation is required to determine the validity of this preliminary finding.

The results do yield some more unambiguous points of interest to researchers who use quantitative data on terrorism to explain its root causes. First, global measures of absolute level of development, such as the percentage of people living in poverty, might bear a different relationship to transnational terrorism than relative measures, such as the global distribution of wealth, even though policymakers tend to lump both of them
together as precipitants of terrorism. Second, researchers must consider outliers’ effects because they have potentially important consequences for the overall pattern of transnational terrorism. It is possible that short-term and geographically isolated conditions, such as the invasion of Iraq and the disruptions that resulted due to sudden regime-change in that country, can distort the overall picture and mask more universal predictors of transnational terrorism. Finally, there is value in using a global view – an analysis that uses the entire world as a unit of analysis – in quantitative analyses of transnational terrorism. This method could be particularly useful in conjunction with single-case or cross-national analysis.

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Figure 1: Transnational Terrorism and Global Poverty

- **Terrorist Incidents**
- **Percentage of World Population in Poverty**

$r = .373$

$\text{sig (2-tailed)} = .060$
Figure 3: Transnational Terrorism and Global Poverty, Iraq Incidents Excluded

$r = .708$
$\text{sig (2-tailed) } = .000$

- **Terrorist Incidents Without Iraq**
- **Percentage of World Population in Poverty**

Years: 1981 to 2006
Figure 4: Transnational Terrorism and Global Inequality, Iraq Incidents Excluded
NOTES:


[9] Source: Derived from UNDP. World Development Report. (various years). Figures represent high-income GDP divided by low-income GDP.