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## Chapter

# Terrorism in Emerging Economies: A Double-Edged Sword

*Syed Abdul Rehman Khan and Zhang Yu*

## Abstract

Terrorism is the unlawful use of violence against civilians to intimidate a government or its citizens to further certain social and political objectives. Usually terrorist attacks on government officials and property to create panic and dictate or enforce their illegal terms and conditions on sitting government. The chapter discussed the definitions of terrorism, types of definitions and consequences on terrorism in developing countries. Finally, the chapter draws a picture of terrorism and economic growth with the support of literature reviews.

**Keywords:** terrorism, developing countries, civil disorder, political terrorism, quasi terrorism

## 1. Introduction

Terrorism is the use of internationally indiscriminate ferocity as a means to create panic in public; or fear to gain some political, financial, or religious objective. During the French Revolution, the terrorism and terrorist invented but increased popularity in the 1970s in news reports, research papers, and magazines covering the dispute and/or conflicts in the Basque, Palestine, and North Ireland.

There is no doubt that there are many definitions of terrorism. Terrorism is a charged term. It is usually used with the connotation of something that is “ethically and morally wrong”. According to the Global Terrorism Database [1], from 2000 to 2014, almost 61,000 incidents of non-state terrorism, resulting in at least 140,000 deaths.



**Figure 1.**  
*The Mumbai attack in 2008.*

Terrorism can occur in different places to create fear in the public and build pressure on governmental bodies for the aim of financial, religious, or any other benefits (**Figure 1**). The National Advisory Committee on Criminal Justice Standard and Goals highlighted six fundamental types of terrorism:

### **1.1 Civil disorder**

This is a violent form of protest, which usually held against the sitting government and mostly time supported by opposition parties. The objective is to show the unhappiness of people, but they sometimes result in large riots in which public and private property is burned/broken and civilians are injured.

### **1.2 Political terrorism**

This type of terrorism is used by one political group to threaten another political group. In fact, government leaders are the ones who are intended to receive the ultimate message and citizens are the ones who are targeted with violent attacks.

### **1.3 Quasi terrorism**

This is a violent act that utilizes the same methods, which employed by terrorists, but does not have the same factors of motivating. Usually, these cases involve an armed criminal who is trying to escape from law enforcement utilizing civilians as a hostage to help them escape. The lawbreaker is acting in a similar manner to a terrorist, but terrorism is not the goal.

### **1.4 Nonpolitical terrorism**

This type of terrorism is not for gaining any political purpose, but most times is connected with religious nature.

### **1.5 State terrorism**

This type of terrorism is totally supported by the government. In state terrorism, the government uses its military forces for their illegal objectives. The state terrorism is well-known for Indian governmental activities in Kashmir, which is also the violation of human rights. In addition, one more example of state terrorism can be noticed in Palestine.

### **1.6 Limited political terrorism**

These acts are usually one time only plots to make an ideological statement. In this type of terrorism, the key objective is not to change the government, but to show the unhappiness against the governmental policy.

## **2. Cases of terrorism in developing countries**

During 2014, a terrorist group attack on the APS (Army Public School), which is located in the Peshawar capital city of Khyber Pakhtunkhwa Province of Pakistan. All militants were foreigner including Chechen, Afghanis, and Arabs. They entered the school and killed 132 school children and 17 school teacher and staff. During the incidents, a rescue operation was launched by the great Pak Army, who killed all the terrorists and rescued more than 950 people (**Figure 2**).



**Figure 2.**  
*The Army Public School attack in 2014.*

In 2019, during the celebration of Easter festival in Sri Lanka, three churches and three hotels were targeted by the terrorist. In the suicide bombings, approximately 258 people were died including 45 foreigners, while the number of injured people was around 500. As per the official agencies, the terrorist was Sri Lankan national and was associated with a local militant group (**Figures 3 and 4**).

During May 2019, Afghan Taliban attack in Kabul and killed five people and 24 people were injured. According to the Afghan government, four terrorists were also killed by the security forces and more than 200 people were rescued (**Figure 5**).

In April 2019, two suicide bomb attack in the northeastern Nigerian city of Maiduguri. The national news confirmed the death of 3 people and 30 were hospitalized. According to the governmental reports, two female bombers detonated their explosives among a crowd in Muna Dalti on the outskirts of Borno state capital Maiduguri, the birthplace of the Boko Haram jihadist group (**Figure 6**).

In February 2019, around 42 Indian soldiers have been killed in a suicide attack in the disputed area of Kashmir. After the suicide attack, the Indian government put



**Figure 3.**  
*Attack on churches in Sri Lanka.*



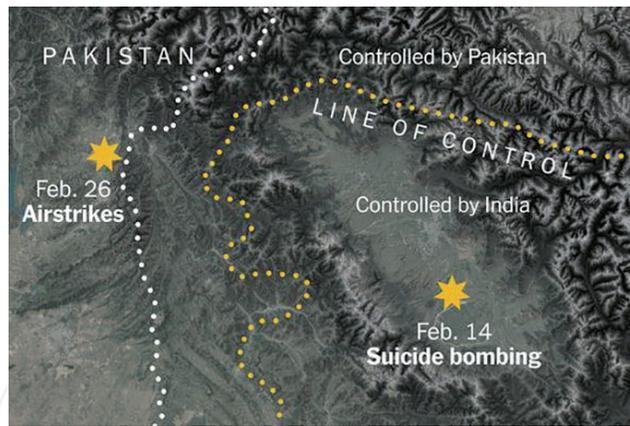
**Figure 4.**  
*Suicide bombing on Easter day in Sri Lanka.*



**Figure 5.**  
*Smokes rises after a terrorist attack in Kabul.*



**Figure 6.**  
*Boko Haram fighters in Nigeria.*



**Figure 7.**  
*Disputed area of Kashmir between Pakistan-Indian.*



**Figure 8.**  
*A suicide bombing last week in southern Kashmir killed at least 40 Indian soldiers.*

their failure on Pakistani forces and blamed that the attackers were sent from Pakistan (**Figures 7 and 8**). On the other hand, Pakistani officials clearly denied the Indian officials statement. In addition, the Pakistani government spokesman said: “It is Indian habit to blame Pakistan.” Further, the spokesman offers that we are willing to investigate the case with the Indian government for better regional peace and prosperity.

### **3. Terrorism in developing countries and economic growth**

Since the last couple of decades, the developing world is significantly facing the problem of terrorism, which slowdown to the economic growth of those countries. The table displays the list of seven developing countries that experienced terrorism incidents and lost their economic growth (**Table 1**).

In 2004, Blomberg et al. [2] conducted a study to examine the effect of terrorism on economic viability in the sample of time series data during the period of 1968 to 2000. Their findings show that terrorism has a significant and negative effect on economic growth. In addition, greater terrorist activities lose the interest of investors and mostly time’s countries face some international sanctions. In a similar way, Gaibulloev and Sandler [3] formulated a comparative analysis between developed and developing countries; they collected the data from 52 and 7 developing and

S. no.	Country	Domestic	International	Total incidents
1	India	2229	78	2438
2	Thailand	985	21	1027
3	Philippines	621	51	702
4	Israel	482	42	546
5	Colombia	540	37	620
6	Nigeria	712	92	842
7	Nepal	282	27	323

**Table 1.**  
*The developing countries with greater terrorism activities.*

developed countries, respectively. The findings were little surprising, as terrorism has no adverse effect on economic growth in developed countries, while the emerging countries economy are badly affected and destroyed by terrorism. There are myriads of other costs like brain drain, destruction of transportation and trade-related infrastructure, and diversion of funds to counterterrorism (compared to funding on social welfare including subsidies on medicines and free education).

Unquestionably, foreign direct investment is fuel for economic growth, but without political stability and terror-free country, it is almost impossible. In developing countries, raising terrorism is creating an alarming situation for their economic viability [4]. A study published by Bandyopadhyay et al. [5] emphasized on a sample of 78 developing nations and they found that 1% increase in terrorism will reduce the foreign direct investment inflows by \$323.6 million approximately.

On the other hand, terrorism also raises the cost of doing business such as shipping cost will rise if shippers have to buy insurance to mitigate their risk of possible damages in the ports of terrorism-prone nations. In the results, the costs transferred to the consumers in terms of expensive products, which will not only reduce both imports and exports of terror-affected countries. Nitsch and Schumacher [6] claimed that during the period of 1960 to 1993, an increasing number of terrorist incidents reduced the bilateral trade among 200 countries. The multiplier effect of terrorism is not only dragged economic activities but sometimes pull countries into circular debt problems.

#### 4. Conclusion

This chapter mainly discussed the types of terrorism and their impact on the economic growth of the countries. In addition, authors also provided cases of different terrorist attack in developing countries, particularly in Pakistan, India, Sri Lanka, and Nigeria. Authors discussed and explored with the support of previously published articles that terrorism is strongly and negatively associated with economic growth in developing countries, while in some developed countries there is no relationship between terrorism and economic growth. As developing countries economy is not well sustained as compare to developed countries and due to a single attack can leak and shake to the economic and trade activities.

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## **Conflict of interest**

There is no conflict of interest.

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