

New Security Challenges

Series Editor

Stuart Croft

International Security in the Department of
Politics and International Studies
University of Warwick, UK

The last decade has demonstrated that threats to security vary greatly in their causes and manifestations and that they invite interest and demand responses from the social sciences, civil society, and a very broad policy community. In the past, the avoidance of war was the primary objective, but with the end of the Cold War the retention of military defence as the centrepiece of international security agenda became untenable. There has been, therefore, a significant shift in emphasis away from traditional approaches to security to a new agenda that talks of the softer side of security, in terms of human security, economic security, and environmental security. The topical New Security Challenges series reflects this pressing political and research agenda.

More information about this series at
<http://www.springer.com/series/14732>

Brenda J. Lutz • James M. Lutz

Globalization and the Economic Consequences of Terrorism

palgrave
macmillan

Brenda J. Lutz
Independent Scholar
New York, USA

James M. Lutz
Department of Political Science
Indiana University-Purdue University
Fort Wayne, IN, USA

New Security Challenges

ISBN 978-1-137-50393-0

ISBN 978-1-137-50394-7 (eBook)

DOI 10.1057/978-1-137-50394-7

Library of Congress Control Number: 2016955952

© The Editor(s) (if applicable) and The Author(s) 2017

The author(s) has/have asserted their right(s) to be identified as the author(s) of this work in accordance with the Copyright, Designs and Patents Act 1988.

This work is subject to copyright. All rights are solely and exclusively licensed by the Publisher, whether the whole or part of the material is concerned, specifically the rights of translation, reprinting, reuse of illustrations, recitation, broadcasting, reproduction on microfilms or in any other physical way, and transmission or information storage and retrieval, electronic adaptation, computer software, or by similar or dissimilar methodology now known or hereafter developed.

The use of general descriptive names, registered names, trademarks, service marks, etc. in this publication does not imply, even in the absence of a specific statement, that such names are exempt from the relevant protective laws and regulations and therefore free for general use.

The publisher, the authors and the editors are safe to assume that the advice and information in this book are believed to be true and accurate at the date of publication. Neither the publisher nor the authors or the editors give a warranty, express or implied, with respect to the material contained herein or for any errors or omissions that may have been made.

Cover illustration: © Bill Hinton / Getty Images

Printed on acid-free paper

This Palgrave Macmillan imprint is published by Springer Nature

The registered company is Macmillan Publishers Ltd.

The registered company address is: The Campus, 4 Crinan Street, London, N1 9XW, United Kingdom

To Tessa Lutz and Cara Lutz

PREFACE

This manuscript is a continuation of our work and interest in global terrorism and the many issues surrounding it. While we have written and researched a great deal on the topic, this is our first book dedicated to the economics of global terrorism and how that affects the world. Terrorism is a very complex phenomenon, and it is a technique that is widely present in the world today. It is vitally important to understand the economic patterns of terrorism and to explore the significance of these patterns and the effects they have on the general population. This understanding will help us to better interpret the many facets and complexity of terrorism. In this book, we take the opportunity to discuss the economics of terrorism in depth and detail as part of our ongoing effort to have a greater knowledge of the topic. Of course, to understand the current economics and think about the future, we also have to look to the past even if not exclusively. This volume is just a step in the continuing study of one of the most important phenomenon in the world today.

We would like to acknowledge and thank a number of people. Many of our friends and colleagues have been very supportive of our work providing encouragement and suggestions along the way. Eleanor Davey-Corrigan and Hannah Caspar at Palgrave were instrumental in supporting the idea behind the book when Brenda Lutz pitched the economics of terrorism topic for a book in Dublin, Ireland, in June, 2014. We would also like to thank the copyeditors and others at this publisher as they have been responsible for a much better final product.

The dedication acknowledges our two amazing daughters, Cara (now in Law School) and Tessa (now a junior at university). They always have

and always will provide so much inspiration as well as fascination for us in all of our endeavors. The girls never cease to amaze us by all that they are. As always when all is said and done, Cara and Tessa are the reasons why we write. Hazel, our incredible 190 pound (really!), four-year-old English Mastiff is a magnificent companion to both of us and she provides unquestioning loyalty. She is a welcome distraction and she provides the balance that we sometimes (or often) need. Hazel will lay at (or on) our feet waiting to be petted or begging for tummy rubs or puppy treats. She also never ceases to amaze us. Moreover, we would like to take this opportunity to acknowledge our special friends, who are family to us—Virginie Pedoussaut our beautiful “French sister” in Les Roches de Condrieu, France, and David Power our wonderful “Irish brother” in Dundee, Scotland. They have been very interested as well as extremely supportive in the writing of this manuscript.

Of course, even with all this incredible help and inspiration, we remain responsible for the final product and any errors of omission or commission contained within. We sincerely hope that this book broadens the perspective and enhances the understanding of the economics of terrorism to all who read it.

Brenda J. Lutz
James M. Lutz
Fort Wayne, IN, USA
April 2016

CONTENTS

1	Globalization, Terrorism, and the Economy	1
2	Methodology	31
3	Latin America	47
4	The Middle East and North Africa	65
5	Asia and Oceania	87
6	Sub-Saharan Africa	109
7	West Europe and North America	133
8	Conclusions	157
	Appendix A: Countries Included in the Analyses	175
	Appendix B: Average Globalization Index Values by Region	181

Bibliography	183
---------------------	-----

Index	205
--------------	-----

LIST OF TABLES

Table 3.1	Globalization and terrorism in Latin America	54
Table 3.2	Terrorism and changes in foreign direct investment levels in Latin America	57
Table 3.3	Terrorism and changes in tourism visits in Latin America	59
Table 4.1	Globalization and terrorism in the Middle East and North Africa	74
Table 4.2	Terrorism and changes in foreign direct investment levels in the Middle East and North Africa	78
Table 4.3	Terrorism and changes in tourism visits in the Middle East and North Africa	79
Table 5.1	Globalization and terrorism in Asia and Oceania	96
Table 5.2	Terrorism and changes in foreign direct investment levels in Asia and Oceania	99
Table 5.3	Terrorism and changes in tourism visits in Asia and Oceania	100
Table 6.1	Globalization and terrorism in Sub-Saharan Africa	120
Table 6.2	Terrorism and changes in foreign direct investment levels in Sub-Saharan Africa	124
Table 6.3	Terrorism and changes in tourism visits in Sub-Saharan Africa	125
Table 7.1	Globalization and Terrorism in West Europe and North America	142
Table 7.2	Terrorism and changes in foreign direct investment levels in West Europe and North America	146
Table 7.3	Terrorism and changes in tourism visits in West Europe and North America	148
Table 8.1	Globalization and terrorism in the developing world	161
Table 8.2	Terrorism and changes in foreign direct investment levels in the developing world	165
Table 8.3	Terrorism and changes in tourism visits in the developing world	167