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WHAT MAKES A TERRORIST?

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Moderator:

WILLIAM A. GALSTON, Senior Fellow The Brookings Institution

Featured Speaker:

ALAN KRUEGER Bendheim Professor of Economics and Public Policy Princeton University

Commentators:

DANIEL BENJAMIN, Senior Fellow and Director Center on the United States and Europe The Brookings Institution

PHILIP GORDON, Senior Fellow The Brookings Institution

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PROCEEDINGS

MR. GALSTON: My name is Bill Galston. I am a Senior Fellow in Governance Studies at the Brookings Institution and this is the seventh in our Governing Ideas series which was initiated by Brookings last year. A word on the general concept of the series. There is a lot of policy analysis, important and rigorous policy analysis, that goes on at Brookings as well as a number of other research centers around town. It is our view in the Governance Program that in addition to public policies, there are important ideas and issues that frame, create contexts for, the discussion of particular policies. It is the purpose of this series to raise those framing ideas into higher relief and to make sure that people who are interested whether as policy analysts or as concerned citizens in sound public policy and the future of this country will have an opportunity to take note of those issues, to discuss, and to debate them.

Typically these issues cut across traditional boundaries of subject matter and also of discipline, and I cannot think of a more fitting example of that fact than the subject of today's forum. As you know, we are convened to discuss Alan Krueger's new book entitled "What Makes a Terrorist: Economics and the Roots of Terrorism." I want briefly to introduce Professor Krueger as well as the distinguished Brookings scholars who will comment on his analysis, and then outline the format for this forum.

As for Alan Krueger, since 1992 he has been the Bendheim

Professor of Economics and Public Policy at the Department of Economics at the

Woodrow Wilson School of Princeton University. From 1994 to 1995, he served

as chief economist at the U.S. Department of Labor, and I believe that it was in

that capacity that we first met. A quick glance at his curriculum vitae reveals

honors, awards, and editorial positions too numerous to mention and exhausting

even to read, so let me content myself with saying that since receiving his PhD

from Harvard 20 years ago, Professor Krueger has become recognized as one of

the finest and most versatile economists of his generation with an extraordinary

gift for illuminating complex public policy issues. For most people, he came to

public attention first in the mid-1990s with his genuinely pioneering work on the

labor market effects of the minimum wage where he and his co-researcher and co-

author David Card managed to upend decades if not generations of conventional

economic wisdom on the subject. He has made distinguished contributions to the

analysis of education policy as well, indeed a collection of his essays on that topic

have been published, as well as inequality and human capital policies, and over

the past 6 years I only recently learned he has devoted his research attention

increasingly to the economics of terrorism.

Now for the two distinguished Brookings scholars. First, Daniel

Benjamin. He was named Director of the Center on the United States and Europe

and a Senior Fellow in Foreign Policy Studies at Brookings late last year. From

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1994 to 1999 he served on the National Security Council staff, and toward the end of that period as Director for Transnational Threats. He was responsible for keeping the president and the national security adviser briefed and prepared with policy options concerning terrorism, as well as for helping to manage interagency counterterrorism coordination. Together with Steve Simon he has written two acclaimed books which I suspect are well known to most of you, one, "The Age of Sacred Terror," was named a New York Times Notable Book of 2002, and was given the Arthur Ross Book Award of the Council on Foreign Relations.

Another, "The Next Attack: The Failure of the War on Terror and a Strategy for Getting it Right" was named a Washington Post Best Book of 2005.

And finally, Philip Gordon. Dr. Gordon is a Senior Fellow for U.S. Foreign Policy at the Brookings Institution. Prior to coming to Brookings he was Director for European Affairs at the National Security Council. He has previous held teaching and research posts at the International Institute for Strategic Studies in London, and the Johns Hopkins School of Advanced International Studies, among others. As you can see, he is at least by my standards still a young man, but my count, he is the author or co-author of no fewer than nine books including most recently this fine volume, "Winning the Right War: The Path to Security for America and the World" which came out just last month, and among its many virtues is almost as short as Professor Krueger's book.

As to the format, Professor Krueger has promised to summarize his

book in no more than half an hour. Benjamin and Gordon will have 10 minutes

each to say what they want to say about it. I will Alan Krueger a brief

opportunity to reply, and that will leave us with about 45 or 50 minutes for

responses and questions from the audience. Professor Krueger, the floor is yours.

MR. KRUEGER: Thanks very much. I remember Bill's cramped

office in the White House.

I appreciate this opportunity to summarize my book. I will give

you a quick tour through what I consider to be the main highlights and findings,

and I will leave plenty for you to still read if you are so inclined when I'm done.

I am often asked why an economist works on this topic, why did I

choose to work on the economics of terrorism, and I have two answers to that

question. The first is a little bit flippant, the second less so, but I think they both

have some merit. The first is that economics and labor economics in particular

which is my field have provided a lot of insight into occupational choice. Some

people choose to become lawyers and doctors, some people choose to become

terrorists, maybe economics can help to explain that choice. Sometimes people

choose to become doctors and then become terrorists.

The second reason is I had done some work in the mid-1990s on

economics and hate crimes. Together with a former graduate student from

Princeton we studied the occurrence of hate crimes in Germany primarily against

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Turks. What we found to our surprise was that economic conditions played very little role. We looked at unemployment in an area, wage growth, other measures of economic conditions, and I have to say I was surprised when we first did this work that we found little connection. Then when I dug more into the literature, I discovered that most of the literature on hate crimes finds very little connection.

So after September 11th when a number of world leaders drew a connection between economic circumstances, in particular poverty, and participation in terrorism or education and participation in terrorism, I was skeptical. The reason I was skeptical was I thought perhaps terrorism is closer to hate crime than it is to ordinary property crime, and that led me to look for evidence to provide some new evidence in this area. The book is based on three lectures I gave at the London School of Economics called the Lionel Robbins Memorial Lectures. The first lecture which I will briefly go into covered who becomes a terrorist at the individual level, a look at personal circumstances. You will see what that work shows is by and large terrorists are people who are desperately poor, they are not people by and large who are uneducated.

The second chapter looks at the kinds of societies that terrorists emerge from. One could argue that I have a naïve view of the role of economics and participation in terrorism. One could accept the evidence that suggests that terrorists themselves have many economic opportunities, are usually well educated, but nonetheless they are responding to economic conditions in their

homes. It is their neighbors' or their countrymen's poverty that motivates them

rather than their own particular economic situation. That is a much more difficult

hypothesis to test, but to the extent that it can be tested, I think the evidence is not

favorable. So that is what I covered in the second lecture, and I will have bit of an

aside there to talk about the types of data that are available.

Then the third lecture, the third chapter of the book, covers what is

accomplished by terrorism, looking at its impact on the economy, psychological

impacts, and political impacts.

Terrorism does not occur in a vacuum. I believe that public

opinion probably plays some role. So in the first chapter I also looked at public

opinion toward terrorism drawing on data from the Pew Global Attitude Surveys

as well as surveys that were done on the West Bank and the Gaza Strip. What is

striking in these data is to the extent there is a relationship between education or

family income and viewed toward terrorism such as this question from a Pew

Global Attitude Survey which asked people in Morocco, Jordan, Turkey, and

Pakistan, What about suicide bombing carried about against Americans and other

Westerners in Iraq, do you personally believe that this is justifiable or not

justifiable? you can see in these bar charts, at least the audience can see in the bar

charts, that support tends to be stronger among those who were more highly

educated, when I break down the data by income, you find the same pattern or no

pattern at all, and that is also what I found in looking at individuals on the West Bank and the Gaza Strip.

What people say in a public opinion poll of course is different than actually becoming engaged in terrorism, so I will summarize a couple of studies that have looked at who participates in terrorism. This chart shows you from a former graduate student of mine at Princeton named Claude Berrebi who is now at the RAND Institute, and Claude collected information from martyrs from Palestinian Islamic Jihad and Hamas. This looks just at 48 suicide bombers and compares them to the population, but he looked at others as well. What you see in the left chart is that suicide bombers are much less likely to come from families who have incomes below the poverty line, about 13 percent of the suicide bombers came from impoverished households, versus about 33 percent of the Palestinian population. The right set of charts shows a remarkable disparity in education. Suicide bombers are overwhelmingly well educated, a majority of them have some college education, compared to less than 20 percent of the Palestinian population, and about 15 percent of the Palestinian population overall.

In a way, this is not so shocking since many of the terrorist organizations recruit on college campuses, but it certainly runs contrary to the stereotype that suicide bombers are people who are uneducated or desperately poor. They are not drawn from the poorest ranks of society at least on the West Bank and Gaza Strip.

The next chart shows you members of Hizballah who were killed mostly resisting Israel in the 1980s and early 1990s. Here this is from work that I did together with Yitkim Latch Kovo who is at the Russell Sage Foundation now, we find a similar pattern, that members of Hizballah were less likely to come from impoverished families compared to the Lebanese population, and they were better educated. You see this pattern even more strongly when you limit the sample to the more Shiite sections of southern part of Lebanon. This holds up as I report in the book without too many technical details if you estimate logistic equations to simultaneously control for education, family income, and other factors.

This general pattern of people who have participate in terrorism tend to be at least as well educated and as well off economically as the population as a whole I think has been found in a number of other situations. The only possible exception that I came across was in Northern Ireland, and there I would say the evidence is conflicting and it is interesting to speculate about why Northern Ireland might be different. But it leads me to think about the market for martyrs, and as an economist I think about both the supply side and the demand side of this market. Why is it that in this market that people who carry out terrorist acts tend to be people who have many opportunities when it comes to legitimate employment?

On the supply side, the factor that economists often think about is what people's opportunity costs are, and we might think that people who have a lower opportunity cost and have very few alternatives might turn to crime. That is certainly what we expect from the economics of crime. But I think terrorism is different. I think the opportunity costs of people's time when it comes to terrorism is outweighed by other factors, and most importantly, having a passionate belief in a cause. I think a better analogy when it comes to terrorism, better than the analogy of crime, is the analogy to voting. Think about who votes, who expresses themselves politically. It tends to be people who are well educated, people who are employed, people who have opportunities. It is more costly for them to vote because they have to take time away from other activities, and at the same time they want to express their views. And I think political involvement requires some understanding of the issues, that is less costly who are better educated, and that is one of the explanations for why better educated people are more likely to vote. That is the supply side.

I should be clear, because one of the reviews of my book which was otherwise quite favorable said the book is more about what does not make a terrorist than what does make a terrorist. I think at a certain level it is easier to take some things off the table, but I think there are many reasons why people become terrorists. What they have in common is an extreme belief in a cause, and who has an extreme belief in a cause? It tends to be people who are better

educated and have some time on their hands so that they can reflect on issues, but

uneducated, impoverished masses are worried about their survival from day to

day, not grand or geopolitical issues.

I think there are many reasons why people have grievances which

cause them to turn to terrorism or potentially can cause them to turn to terrorism.

In that sense, I think the supply of potential terrorists is quite elastic and I do not

think one could pinpoint and say this is the particular reason for the grievances.

There are many different reasons for grievances, and if you look at Osama bin

Laden's most recent speech, for example, he threw in all kinds of grievances, the

environment, globalization, religion and so on. My view is that any large society

has people who hold extreme views and it is very difficult to try to limit the

supply of those individuals. What could possibly be limited are the terrorist

organizations that direct those individuals and focus them and equip them to carry

out destructive acts. That to me is kind of the more finite resource.

The demand side of this equation is that the terrorist organizations

want to succeed. It is very costly to them if they fail. For one thing, they could

be apprehended and killed. Therefore, they want to choose operatives who are

most likely to succeed. In a recent study, Claude Berrebi and Efraim Benmelech

at Harvard found that the terrorist organizations quite rationally assign better

trained, better educated terrorists to more important targets. So in that sense from

the economic assignment model, what we call the Roy Model, is that terrorist

Next I want to turn to a more sophisticated view about how

organizations seem to be behaving rationally.

to test, and also the data are quite weak.

economic factors could affect terrorism. What I have shown you and argued I think hopefully convincingly is that terrorists themselves are not desperately poor and uneducated. It is much more difficult to say perhaps they are motivated by concerns about lack of education of their countrymen or lack of economic opportunities for others in their society. That is more difficult because we have to look at the effect of society on individuals. Inherently I think that is why I am an economist and not a sociologist. Inherently I think that is a more difficult subject

I had done some work using data from the State Department's

Pattern of Global Terrorism. This is the cover of the 2004 report, and I thought I

would tell you a little bit of an aside about these data as I go along. On the face of

it, the data that the U.S. government had been producing on international

terrorism seemed to be quite credible. The State Department defined terrorism as

premeditated politically motivated violence perpetrated against noncombatant

targets by subnational groups or clandestine agents usually intended to influence

an audience. International terrorism means terrorism involving citizens within the

territory of more than one country. Each year since the early 1980s the State

Department has released a report on patterns of global terrorism. It has beautiful

looking charts like this one, total international terrorist attacks from 1982 to 2003, and you can see the total number of attacks was rising in the late 1990s, declining after September 11, 2001, and it looks like believable data from what you can see here.

The back of the report contains the only verifiable evidence presented in the report which is a chronology of significant terrorist incidents which says, "Note the incidents listed here have met the U.S. Government Incident Review Panel criteria. An international terrorist incident is judged significant if it results in loss of life or serious injury to persons, major property damage, and so on." Nowhere does it explain who belongs to the U.S. Government Incident Review Panel, what types of information they look at, whether that information has been consistent over time, but you could verify the events that are listed here by looking them up in the newspaper or looking them up in other ways.

When I was looking at the 2004 report together with David
Leighton who is a political scientist at Stanford, we noticed something curious
which is that this chronology which is supposed to cover the calendar year
stopped on November 11. I happen to remember that on November 15 there were
two large terrorist attacks in Turkey and shortly thereafter there were large attacks
in Saudi Arabia. What happened? I never got a complete explanation from the
State Department when I called, so David Leighton and I wrote a piece in "The

Washington Post" which came out May 17, 2004, where we said despite the State Department claiming, and Richard Armitage's claims, you will find in these pages clear evidence that we are prevailing in the fight against terrorism, the information in the back of the report does not support it. The number of significant attacks was rising even while the total number of attacks was falling. Why do you care about the insignificant attacks that should be the difference between the two? Presumably we care more about the significant ones. And some of the significant ones when you read the details looked pretty trivial at that. And on top of that you've got the problem that the chronology was incomplete in 2003 yet the number of attacks was still rising.

Anyway, this was an embarrassment for the State Department, Colin Powell, and actually I would say it is an embarrassment for the Washington media as well, for the press. So David and I wrote this on May 17. I think we had one follow-up interview. Really, nobody contacted us. Then on June 10, 2004, Richard Boucher, the spokesman for the State Department, said that there were several mistakes in the report that could fill 11 pages of corrections, and that the report would be withdrawn and corrected. So quite a bit of time elapsed and I read the transcript of the press briefing when the report came out and there were not really too many deep questions about the data. Then on June 13, 2004, Colin Powell went on "Meet the Press" and he said we don't know how these mistakes

got in here, but we are doing our best job to figure it out and we would like to

correct it.

In a way maybe there is some good news from this because the

process now of collecting the data is much more transparent. I think the National

Counterterrorism Center which took over responsibility for producing the data

casts too broad a net. It does not use in its definition of terrorism to influence an

audience. In its defense, the Congress does not mandate that it include it. The

State Department included that. They cited U.S. code which actually did not

include that phrase either, but they claim that that is what they were using. The

data now at least are more comprehensive, but I think it is going to take a lot of

effort with the data that the NTCT is producing to try to these into comparable

data that could be used for research.

Using the data from the State Department reports of significant

terrorist attacks, I turned that into a data set. What I did was once the events were

corrected I went through that appendix and converted it into a data set. Looking

from 1997 to 2003 I coded up 956 events, actually two Princeton students did this

for me and then we compared to make sure they were coded comparably, and

what we collected was where the event occurred, the country of origin for the

perpetrators, the country that was the target of the attack, and we defined the

target as the national identity of those who were most affected by the attack, the

group responsible for the attack, and some description about the details like

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whether it was a suicide attack. These are potentially quite rich data. You can think of having a matrix of perpetrators of terrorism, the origins of terrorism and the targets, in about 149 countries.

Some kind of summary findings. Sixty-seven percent of the events listed in the chronology cited a terrorism organization that was behind them. I think that this is probably evolving and there are probably more terrorist attacks now where organization or no one is claiming credit. Ninety-one percent of the events were carried out by multiple perpetrators, so they tend not to be lone wolfs. This last factor on the left is quite striking. Eighty-eight percent of the International terrorist incidents were carried out by people who were native to the country where the attack occurred. So most of what the State Department was calling international terrorist attacks tended to be pretty much local. In the typical type of event, it was carried out by local individuals motivated by domestic concerns, and a foreigner happened to be in the crossfire. Events like 9/11 are really unusual in the data. It is much more common to have home-grown terrorist attacks, and this is ignoring cases where it was purely domestic affairs.

Twelve percent of the attacks targeted the U.S. Seven percent of them were on international organizations. You will remember we were all stunned when the U.N. was targeted in Baghdad, but that is not so unusual, and you see many incidents of the Red Cross being targeted and other international organizations. Just under 5 percent of the attacks were suicide bombings. Suicide

bombings tend to get most of the attention, and they do tend to be more lethal, but they tend to be a minority of terrorist attacks. Hostage taking, for example, was more common.

I will not scare you with the details of the estimation. Suffice it that I use statistical techniques to try to relate information on the number of terrorist incidents that were being carried out by people from one country against people from another country or property from another country. The main finding was that the income of the target country mattered but not of the origin country. This is looking at over 11,000 pairs of countries. The origin country's civil liberties mattered, having the right to freedom of assembly, to protest peacefully, had a negative effect on terrorism so it tended to reduce terrorism in the origin country if people in those countries were afforded civil liberties. On the other hand, in the target country, civil liberties had the opposite relationship and democracies tended to be targeted. GDP growth had no impact. Population mattered. Larger countries were more like to be origins and they were more likely to be targets. That is what you would expect with just Brownian Motion, just kind of random acts of terrorism.

I worked really hard on this because I was hoping to find that countries that traded more, if you had more trade between the pairs, that you would have less terrorism, and as an economist I thought that would be another argument for free trade, and despite all my effort you will see I put a kind of light

gray negative sign. It had a strong negative effect until I controlled for the distance between the countries. Distance matters a lot. It matters for terrorism, it matters for trade, and it tends to matter more for terrorism than it does for trade.

Literacy in the origin country had no impact. Religion is interesting. Looking at the period of terrorist attacks that occurred from 1997 to 2003, I could look at whether the countries were predominantly Muslim, predominantly Christian, and so on, and there I found very little impact of religion. This is looking at the percent of the origin country that was Muslim or Christian, Hindu, or so, or the predominant region, and I did not see much of a connection here with religion. Countries that occupy other countries are more likely to be targets of terrorism, and the country that is occupied is also more likely to be an origin country for terrorists.

I am going to switch gears a little bit because talking about occupation probably led you to think a little bit about Iraq, I did a similar kind of analysis looking at the identity of foreign insurgents in Iraq, and this is an area where the data are probably not as good as they are on international terrorist incidents. But back in 2005, Major General Rick Lynch released information in a press briefing on the national origins of foreign fighters who were captured in Iraq. If you have good eyesight you can read that little bar up on the right, Egypt 78, Syria 66, Sudan 41, Saudi Arabia 32, and the list goes on down to the U.S. where one person was captured and charged with being a foreign fighter in Iraq.

Notice Saudi Arabia is fourth on the list and it makes up about 10 percent of the foreign fighters captured in Iraq. That in a way is quite striking. Yesterday General Petraeus said he thought the largest number of foreign fighters were coming from Saudi Arabia. There had been a leak in "The New York Times" which said about 40 percent of the captured foreign fighters are coming from Saudi Arabia. This as far as I know is the only unclassified official data that have been released and Saudi Arabia is about 10 percent of the total here.

How were they identified? Major General Rick Lynch told us to trust him that they were identified from interrogations that they did or papers that might have had on them. The captured insurgents came from 26 different countries in all. So I did the same kind of analysis and here is an example of one of the equations that I estimated, and let me summarize the results the same way I summarized the results for terrorism. First, population matters. Foreign insurgents tend to come from larger countries. Distance to Baghdad matters. The farther away from Baghdad, the less likely a country is to be represented among foreign insurgents. GDP matters, with the opposite sign than you might expect. Wealthier countries are more likely to have individuals captured among foreign insurgents. Literacy in the origin country was statistically insignificant. The Gini coefficient which is a measure of inequality was also insignificant. Infant mortality had a negative effect, so that means that countries with higher infant mortality were less likely to have their people represented among the captured

foreign insurgents. Civil liberties had the same kind of effect that I had found before when I looked at terrorism in general. Countries that had greater opportunity to express oneself peacefully and had greater civil liberties had fewer individuals captured in Iraq. I should be cautious here because it is very difficult to statistically separate or separately identify the effects of civil liberties and political rights, but to the extent that I can I would lean a little bit more toward civil liberties, but they tend to go hand in hand with political rights.

Countries that were members of the coalition in Iraq which is awfully hard to define in a moving target, but I defined as ever having boots on the ground in Iraq, did not matter in terms of being an origin country. And percent Muslim in the origin country mattered and had a fairly strong positive effect in this case.

The model did quite well. I wrote in my notes on the train on the way down here that this is kind of a victory lap for my statistical model. Seventy-five percent of the countries predicted were within plus or minus one insurgent. So that is pretty good. This chart shows you the outliers, the five largest cases where we underpredicted and the five largest where we overpredicted. You can see the largest outlier was Saudi Arabia. The model predicted that we would have captured 136.8, you can round that to 137 if you would like, individuals from Saudi Arabia in Iraq in this period, instead, what was reported was only 32, and 136.8/311 is 44 percent, so pretty close to what had been leaked in the newspaper.

I do not know if what was leaked in the newspaper was accurate, but given the

fundamental factors, I would be inclined to believe it.

What does this tell us? This tells us that fundamental factors are

responsible for so many Saudis being captured in Iraq, not anything the Saudi

government is necessarily doing. Just on the basis of Saudi Arabia's proximity to

Iraq, its population size, its Muslim population, its GDP per capita and so on, we

would predict 44 percent of those captured in Iraq were from Saudi Arabia. One

other thing which occurred to me which is useful about this model is I think this

might tell you or give you some hints of when these individuals return home,

which countries are going to potentially have a problem, are going to have people

who were trained in Iraq, and that might be useful for policy going forward.

Finally, what does terrorism accomplish? Here I will focus mostly

on the economic impacts of terrorism, but the book does go into psychological

impacts and political impacts as well. On the economic impacts, I say that there

are two schools of thought. One school of thought says the effects of terrorism on

the economy are small, and the other school of thought says the effect of terrorism

on the economy is big. I at various times have written in favor of both schools of

thought, but I learn more toward the small effect school. Why do I say that? The

small effect school says that terrorism as we have experienced it causes isolated

physical damage and egregious but compared to the overall economy contained

damage to human capital. Modern economy is the most important input to

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production as human capital, and fortunately the types of terrorist attacks that we

have been exposed to have relatively small effects on the productive capacity of

the workforce.

On top of that, the small effect school says a modern economy is

very flexible and there are substitution possibilities. If you think back to

September 11th in New York when people were traveling less and when office

space was destroyed in the Financial District, financial companies took over space

in hotels. There is flexibility that takes place in a market economy and that works

to the benefit of minimizing the economic impact.

What is the evidence for the small effect? I would argue the

evidence is that most of our past experience with hurricanes is that they have

relatively small effects on the economy and the same with earthquakes. Also if

you look at New York City or London after the terrorist attacks they experienced,

they were fairly resilient when it came to the economy. Hurricane Katrina might

be an exception, but it might be an exception that proves the rule in this case

because if New Orleans is not restored close to pre-hurricane level, it would be

because we made the choice not to do so, not because of the inherent damage

caused by the hurricane, but I think because it revealed to us that maybe it was not

the best city to have a large population center.

What about the big effect school? The big effect school argues

that some key industries could be hit very hard, like finance and travel. Those

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might be industries where there are spillovers to the rest of the economy particularly in finance as we are seeing now I think with the meltdown in the mortgage industry. Secondly, people can overreact and the reaction can be rational or irrational, I tend to lean to the overreaction being irrational, but that could cause individuals to make missteps, maybe to be overly cautious, maybe to cut back on their consumption which after 9/11 Americans did not do, or more likely could cause the government to misstep which can have damaging impacts on the economy. What is the evidence for the big effect school? Probably the best evidence comes from Spain. A work by Alberto Abadie from Harvard looked at the effect of ETA terrorist attacks in Spain and finds reasonably strong evidence that they have had an adverse impact on the economy.

Where do I come away? I come away saying that in some industries the direct effect of terrorism is probably large. I think it is undeniable in tourism and travel. I also think that terrorist organizations are quite adept at targeting more vulnerable industries. You see this in Iraq with the targeting of the oil industry and electrical power. The U.S. government invested a great deal of money during World War II trying to model the German economy to find out the pressure points, and terrorists seem to be pretty good at doing that on their own.

I think the jury is still out on whether the overall effect is large is small. I would at this point lean toward the small side especially I would say if the terrorism is infrequent and not sustained. What might make Spain different is

the fact that ETA waged a long and sustained campaign, but I think a diverse economy which has many substitution possibilities would be more resilient to terrorism.

Let me hit a couple of other highlights, then Bill can yank me off the stage, on this last chapter. I wanted to look at the impact of the media on terrorism and to try to use some data here. One thing which struck me is that the terrorist organizations are pretty savvy. This shows by time of day using the new data collected by the National Counterterrorism Center when terrorist attacks occur. This is looking worldwide and you can see that there is bimodal distribution and that the most common hour of the day is between 8:00 and 9:00 a.m. It might be that is when people wake up and they are kind of energized to do something, or an alternative interpretation is that the terrorists want to get into the news cycle and that is the best time to enter the day's news.

You see a second mode around 7 o'clock at night to 8 o'clock at night which might be a result of that is when people congregate at cafes or maybe under the cover of darkness, that is a more attractive time for terrorists to carry out their attacks. If you do this just for the Middle East, the distribution is unimodal, it just peaks in the morning, so you get a somewhat different pattern in different parts of the world. Obviously data like this can be used I think to think about when we should do more screening for terrorism, and you can look at different techniques and so on.

I also want to show you, and this is not in the book so this is a bonus, after the book came out, Homeland Security Secretary Michael Chertoff said summertime seems to be appealing to them and he had a gut feeling that we would be attacked this summer. So I used the NCTC data to look at the pattern of terrorist attacks by month. At one level you could say he is sight, July and August do tend to be more prevalent months for terrorist attacks, but not all that much. I looked and the number of boating accidents goes way up in July and August also by a much greater amount in the U.S. I only looked at the U.S. If you look at al-Qaeda where there were only about 39 incidents of terrorist attacks by al-Qaeda in the NCTC database, the summer is not a more common time for terrorist attacks, so I guess I would not draw too strong a gut feeling from these data.

Then finally, I think it is important to keep the risk of terrorism in perspective, and while I do think that we are right to be concerned about terrorism, Colin Powell recently asked, Can terrorists change our way of life? Then he answered it by saying, no, only if we let them, and that is a point that I emphasize in the book. One of the reasons why I make this point is that if you compare risk of terrorism to other risks, terrorism looks fairly small at least historically. So I calculated for the U.S. what is the chance of dying in a terrorist attack in a given year or over a lifetime. Just to put these numbers in perspective, someone is over 500 times more likely to die from their own suicide than to die from a terrorist attack. And if you were look at just terrorist attacks caused by

suicide bombings, they are over 2,000 times more likely to die from their own suicide than they are from a suicide bombing attack. That is the type of terrorism that we have experienced so far, of course the future can be different, and that is why the last point of my conclusions here is that what we should be most focused on is catastrophic threats and also avoiding a sustained campaign, and how do we prevent having a sustained campaign of terrorism. But to me I think of greatest concern is using our assets to protect against catastrophic threats because the level of risk that terrorists currently pose or have posed in the recent past are much smaller than the risks we face when we drive to the shopping mall.

The conclusions of the book are, sadly, I think we have been fighting mostly a data-free war on terrorism so far and I do not think that that is an efficient way of proceeding. I went back and I was going to use the war on poverty as an analogy, but it turns out not to be a particularly good analogy in that we declared a war on poverty but we actually did not have a poverty rate at the time, so there is a history of declaring wars without having the metrics to measure how we are doing in those wars. I think it is important to view terrorism as a violent political act and not a response to economic conditions. The climate of civil liberties seem to me to matter. I think there are many reasons to improve education and to work to reduce poverty around the world, I am pessimistic that reducing terrorism would be one of them, and then as I said, I think terrorism only matters in a big way if we let it, if we make irresponsible choices as a result of it,

if the media is irresponsible in portraying it, and sadly I think that the media and sometimes the government has the incentive to respond inefficiently or overreact to terrorism. I will stop there.

(Applause)

MR. GALSTON: Thank you for that concise and provocative summary of your book. Now I would like to ask Daniel Benjamin to offer about 10 minutes of remarks.

MR. BENJAMIN: First of all, I want to thank Alan Krueger for this book. I think it is a terrific book. It is rigorous which already distinguishes it from, if I can use a number as a non-economist, about 99 percent of the stuff that is written on terrorism, it is elegantly written, it is often ingenious, and I think it is just altogether enlightening. I am particularly pleased to be on a panel with him because I have always admired him for blowing the whistle on the 2004 patterns of global terrorism. And as just a bit of anecdotal and I suppose non-statistical evidence, I was told by one person in the office with that, how that happened. Are there any reporters here? I only have this from one source so I would not actually write it, but I will be lax enough to repeat the anecdote. There was an office fight in fact and the guy who had the data went home and did not come back with the discs. It was that simple. He went off in a snit and he took the data and they had a terrific weekend at the State Department trying to reconstruct what he had taken away and they got it all wrong and they went to press. So next time

you think that it is certainly as case of malicious intent as I guess Paul Krugman

thought, more often than not it is incompetence. But what was interested in that

episode was how readily senior State Department officials were to as a former

Pentagon colleague of mine would say drink their own bathwater, that they were

so convinced that they were winning the war on terror that they ignored all the

news reports and said look at that, we are doing great, and never looked at the

statistics. And as for your criticism of the press, as a former reporter I will not

even deign to try to contradict that.

A few other points. The argument about poverty. I was delighted

you finally drove the stake through the heart of this argument. I had not realized

how many people had been intoning that argument, and I confess that among I

think serious scholars of terrorism that argument had never really held water. So I

was astonished to find that many public officials had said that and I was grateful

for that litany of quotes. I think there are three inevitabilities whenever you have

a terrorist attack. One is that someone is going to talk about poverty, though, and

that it is ultimately the basic unfairness of life on our planet that it is all about.

The second is we are going to go after the financiers. And the third is when it is

really serious we are going to reorganize. I would argue that all three of those

responses are mistaken because the financial activity, although it is very important

and we should do that, it is rather marginal in its utility to use an economic phase.

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But I would go back just to the argument about who becomes a terrorist. I was an historian in an earlier life and it has been fairly clear that revolutions, to make the old joke, are the leisure of the theoried classes, and terrorism is the same way. This goes back to the Decembrists, the anarchists and Prince Trubetskoy and on and on. My own field was mostly jihadist terrorists, but if you look at the sociological work done by the great Egyptian sociologist and democracy advocate Saad Eddin Ibrahim, I think about a third of the early jihadists were either engineers or doctors. That is one of the reasons why I found it so shocking when everyone that doctors turned up in al-Qaeda in Iraq. This is the professional defamation is that you no longer are being shocked by the things that other people are being shocked by. This is a group of people like bin Laden who have economics degrees and management degrees; Ayman al-Zawahiri is a patrician surgeon, it goes on and on.

The one thing that your data I think does not reflect and I think that a closer look at al-Qaeda and homegrown jihadists would show is that there is a high-low thing going on where you find as in the Madrid cell a university economist working with manual laborers and drug dealers. They develop these bonds over a perceived grievance, in this case the U.S. and Spain being in Iraq, and they create what Sageman has described as these in-group bonds, that overcomes class and educational differences, and then they motivate each other to go out and do something. And just to come back to underrepresentation when

you were talking about Saudis, I think one of the reasons the Saudis have been underrepresented in your figures is that your figures were mostly for living people, and among the suicide bombers the Saudis have been hugely overrepresented. I think you refer to an article by Reuven Paz, there is also one by a Saudi scholar, that the names would go up of people who were found and those names were identifiably Saudi and they would check their biographies, and I think a lot of those people are not university trained. Jihadists in general I think, unlike the Palestinians, are more acute or more intent on using the uneducated as suicide bombers. If you look at East Africa, if you look at a lot of different attacks, I think that has been the case, 9/11 being a little different where you had the brains and the muscle as the 9/11 Commission referred to them, and the brains were actually doing something quite remarkable, they were living off the land and really constructing this plot as they went along and that is why you had people like Mohammed Atta who were university trained getting involved in it.

I do think that the important conclusion to draw from in this work is the ideological dimension is really important. These are smart people and they are moved by ideas and I do not think you can avoid that and poverty is not going to answer it. I guess one area where I would disagree with you a bit in terms of the importance of poverty, and you allude to this in one lecture but I do not think you come back to it fully, is what you might call the indirect effect of poverty. In jihadist terror, this notion of civilizational humiliation is very important and

poverty is a bit part of it, and it also ties in with autocracy which you capture with deprivation of civil liberties and lack of political voice. So there is a sense that Islam was a great civilization and it has been brought low by the West in the canonical version that bin Laden and the other jihadist theorists peddle, but whatever the case, that is a very powerful draw in terms of recruitment and in terms of general support for what they are doing, and in that regard I think poverty does play an indirect role. There is this sense of why are our countries so poor compared to some of the others, and this is one thing that absolutely drives them crazy particularly vis-à-vis Israel which is now an OECD country, they are saying they do not even have oil. So I do think that that is one indirect issue that needs to be confronted.

And if there was one particular point that I want to call you on it is the issue of limiting the supply of terrorists. I just wrote an article on converts suggesting that in fact radical Islam is becoming or has become a magnet for the really angry people in the world, I think that there is a certain amount of truth to that in that there are some people who are drawn to violence, drawn to killing, want to act out, this is to a certain degree inevitable, so there is some agreement between us. But I would argue that so long as there is a narrative that works for the jihadists, so long as they can argue credibly whatever we think of our own intentions, they can look at Iraq and say the United States is a predator, it is occupying a Muslim country, it wants to destroy Islam, it wants to oppress

Muslims, then there is going to be a larger pool certainly of financiers, certainly

people are going to give logistical support, and I would argue also even

operatives. The operative phase is always let's dry up the swamp. I think if you

do wage an ideological war or an ideological -- and I know Phil has written richly

on this and I will try not to preempt you because we have strong feelings about

preemption here, too, I think that that has to be an important part of the strategy

and I think you do need to do what you can to limit the supply.

I am running out of time so let me make a few other quick points.

Does terrorism matter? I began my first book by noting in "The Age of Sacred

Terror" that terrorism had mattered for publicity purposes for governments, they

had to combat it and we did create an Office of Counterterrorism Coordinator

under President Reagan, but in fact you were more likely to die from a bee sting

from terrorism and therefore from a strategic point of view, and everyone who is

involved in it understood it, this did not count.

But I think if you take a long view, it counts more and more. You

understood this because you pointed to catastrophic terror. One of the points that

I would point as an overlay on that is that the barriers to entry for really dangerous

terrorism are declining. The acceleration of technology, just think about what is

going on in the bio world, it is quite extraordinary and I think one of the real

security problems we are going to have is the embittered singletons, the one guy

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working in a lab who ultimately will be able to do something very scary. So I do

It also counts I would say in terms of consequences. You

mentioned overreaction and Iraq, and I went back and read your column in the

"Times" on the costs of the war. We are certainly going to top a trillion. I would

say that is an expensive overreaction, not to mention the number of the losses in

lives and treasure, and also Iraqi lives which is staggering. We do have a resilient

economy, you are absolutely right there and that is a great point, although one can

point to different nodes that would be problematic. If someone brought an

airplane with a shoulder fired missile and showed that they still had more of them,

I think the economic damage would in fact be catastrophic. I think that if there

were a campaign you would have a serious loss in public confidence and

institutions and I think that is one of the reasons why we legitimately worry about

terrorism.

think that it counts.

And I think that is why on 9/11, I was asked this morning in an

interview have we been helped by the fact that everyone is vigilant now, and my

initial reaction was, no, we have not been helped, and most of those calls that

come in are ridiculous and cause more problems than they are worth. It is good

that we are vigilant as a country, but we also have to have serious programs now

to diminish the catastrophic threat and to really ensure that the confidence remains

in the institutions.

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Let me just close by noting that I am relieved that shark attacks are

a low probability. If you live in a household with small children you would think

that they happen every day. The news cycle point that you brought up is quite

interesting and I have been thinking about this because al-Qaeda clearly stepped

on its own message. First of all, the last bin Laden tape came in on a Friday

afternoon which is normally the time you release bad news, at least governments

to do that. And the second one which was issued today and no one has been

talking about it was in the middle of the Petraeus hoo-ha. So they are not as sharp

as they used to.

MR. : We might not be their audience.

MR. BENJAMIN: We are not their audience. You are absolutely

right. We could talk about that later. I have gone on too long already, so let me

pass it off to Phil.

MR. GORDON: I find myself in the difficult position of trying to

comment usefully and interestingly about a book with which I very much agree,

following a commentator with whom I very much agree, and it would be awfully

boring for me to simply reiterate what has already been heard, so let me try a

somewhat different approach, conscious also of the fact that lots of you are ready

to ask questions and engage in debates.

I will be brief, but what I want to do is not only compliment the

author with an aye, and he deserves great compliments for as Dan said a really

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good piece of work that needed to be done because so much observation about

this topic is just sort of impressionistic rather than serious, but also let me also try

to complement and raise a couple of issues related I think to what we have already

heard about who becomes a terrorist and why.

First, I want to make a core argument that we did hear and a quick

comment on, and maybe a slight difference. It seems to be obvious, and Alan has

proved this with the figures, that poverty is not the cause of terrorism. Even

without the data, just logically it is certainly not a sufficient cause. If it were, then

in the poorest in the world we would see terrorists streaming out of Haiti and

Madagascar and Chad, and we do not. But nor is it even a necessary cause as the

two other speakers have pointed out. There are plenty of terrorists emerging from

rich countries and rich families and rich milieu. Alan has proved what I think any

of us if we thought about it logically rather than in a political way would have

come to realize that poverty is not the case of terrorism. I would though maybe at

least just to provoke a bit of debate up here try to fall short of taking it all the way

to driving a stake through the heart of that thesis, in other words, maybe make the

case that it is clearly not the cause and it is not sufficient or necessary, but maybe

it is linked in the following couple of ways.

First, at the individual level, is it not possible that if some of these

terrorists, obviously Osama bin Laden was not driven by not having enough

money, or Mohammed Atta or Zawahiri, but a couple of the other lowlifes,

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Richard Reid or Jose Padilla, or plenty of the others who have joined these groups, is it not possible that at least for them the fact of not having a job, not having anything to turn to, led them to hang out in circles and look for meaning in their lives that would not have been the case if they had these opportunities? So even if the explanation will not hold for most, it might hold for some it seems to me at least plausible.

Secondly, and I think this point has been made by others, I do think there is a link with economics if not at the individual level that I just referred to, at the national level or even at the civilizational level, and I think Dan suggested this, the point of falling behind and being humiliated. Think about, and you do not have to hear it from me, the Arab Development Report of 2002 when Arab scholars got together and they pointed to the fact that globalization had passed them by. The Arab countries did not participate in globalization like everyone else, they did not get rich, they were falling behind that the created a degree of anger and humiliation in that part of the world. They saw their former colonial oppressors in Europe and the United States being richer and more successful than then, they saw the Asians, first the East Asians and then the China and the Southeast Asians rise up and surpass them, the Tigers in East Asia. Then they saw the former communist countries in Eastern Europe, the former Soviet Union, they saw Latin America, they saw Israel right next door who did not even exist 60 years ago and then has a GDP per capita that far surpasses all of those, I

think in that sense the economics can play a role at the civilizational, cultural, or societal level in terms of resentment of others. And I would add that some might quickly point out that there are rich countries, Saudi Arabia has a lot of money so many I am wrong, but then we would have to take it to the next level of income distribution and inequality, so it is not so simple as just getting richer, but I do think there is an economic argument there in terms of that cultural humiliation that is relevant.

Then finally, this is at an even a more indirect level but I think it is worth mentioning, to the extent that you believe that democracy, freedom, and civil liberties is related to terrorism which I think Alan suggested it is, if you buy the argument as I do that prosperity, at least balanced prosperity, helps lead to the conditions in which democracy is possible, then economic development can also be relevant here. I realize that that is a few steps away, but I think there is a strong correlation between, first of all, autocracy and the supply of terrorists, and between prosperity and democracy. I did not bring my charts, I am not so adept, but I do have one, I did not create it myself because I would not know how, but I do have one, and it plots GDP per capita on one axis, and civil liberties or democracy on the other, and the correlation is very interesting. Who are the outliers? There are a couple of odd ones like India and you can explain for historical or cultural reasons about why there is democracy in India even though GDP per capita is low, but the only others are the Gulf states, the oil states, that

are rich not because they learned how to make things and do things, but because

of oil. Other than that, the correlation is quite striking and therefore it seems to

me sustainable to say that it is a good thing to promote development and

prosperity in the context of terrorism because that prosperity can help create the

conditions for democracy which in turn might help with the terrorism problem.

So I put all those out there at least for debate so that we do not perhaps then drive

a stake completely through the heart of this argument but, rather, we leave it I

think where Alan left it which was to say that this link is, I quote from the book,

"Indirect, complicated, and probably quite weak." I think all of that is right, but it

is not entirely irrelevant.

To complement the persuasive argument that we heard, I would

remind us that other explanations for terrorism are also pretty weak, at least as

single explanations, and I think you pointed that out when you referred to the

review that said you were better at saying what did not cause terrorism than what

did. It would be hard to write the book about what did because there is just not a

single variable and that is what makes this problem so hard.

Let me propose a few that come up and I think you will find as you

go through them very briefly that all of them have something to them but are far

from complete or sufficient causes and that is why the trick is to figure out under

what conditions which ones lead to it, and these are sort of in to me increasing

order of explanatory power. In other words, I am going to start with what I do not

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buy which is what we have so often heard from the administration that terrorists attack us because they hate us. Alan Krueger addresses that as well in the book. Right after 9/11 and ever since, President Bush has been saying that they are at war with us because they hate our freedom, they hate our freedom of expression, they hate our freedom of religion, freedom of assembly and all the rest. I am not even sure that is true as a statement, but I certainly do not think it leads directly to attacks on the United States or others. As none other than Osama bin Laden himself has pointed out, if that were true, then Sweden, Costa Rica, and Switzerland better watch out because those are awfully free places and they practice freedom of religion and expression and they should be the targets, but they tend not to be and that suggests to me at least that as an explanation for terrorism, that correlation is pretty weak.

It is also pretty convenient. It is convenient because it allows us, and again this is a point Alan Krueger makes in the book, it is convenient because then we do not have to focus on our policies. You say they hate us because we have an open society and we are not going to change that, and so we just have to - but it helps you explain why there are other things you might want to do or address in terms of your foreign policies and other practices, but you do not have to if you can conclude that they are attacking us because they do not like our freedom. So I think it is convenient but it is dangerous if it misleads us and does not really point to the true cause. So I am not too persuaded by that.

Another one I think we often hear from the administration that is not terribly persuasive to me is they attacked us because we are weak. We have not stood up to them in the past and therefore they only respect force and therefore they attack us. President Bush and Vice President Cheney have repeated this litany on numerous occasions, explaining that the Iranians took hostages and we did not respond, and in Lebanon, Hizballah bombed our barracks and we did not do anything about it and we ran away. The first World Trade Center attack, Somalia, the African embassies, the "USS Cole," they give a list and they say in all of those cases past presidents failed to get tough and we need to hit them hard. That is the Cheney quote.

I am prepared to believe that terrorists, and Dan knows more about this than I do, have taken some inspiration from their successes and our failures as they certainly did with the failure against the Soviet Union in Afghanistan, and when we left Lebanon we signaled that it worked. So I think that that correlation is there and I do not want to dismiss that lightly. What I do not think though is that the notion that somehow if we were prepared to hit them harder back would lead them to give up the struggle. Presumably in Iraq we have hit them hard. It was not even them, but we hit somebody awfully hard. And I have not noticed the jihadists saying we misunderstood America, they actually are prepared to use force, so let's cut this stuff out. It seems to me hard to argue that the best way to pursue people who happen to be willing to die for their cause is that you are

willing to kill them. So to me, to argue that we were attacked on 9/11, and this has been directly said, because we have shown to be weak is not terribly plausible. It also leaves open the question which isn't for now of what it would have meant in all those other cases to get tough. So what Reagan, and it is interesting that he is actually the object of the criticism here, have done after the Marines attack? If the argument is we should have invaded and occupied Lebanon, I suppose you can make that argument, but you have to be prepared then to defend what you mean by it. So I am not too persuaded by that one.

Getting closer to what I think is plausible and has been discussed here a bit is the argument that the lack of democracy creates terror and that is what makes a terrorist, the lack of democracy. There I think there is more to it, and again Alan has suggested this, the lack of civil liberties, it is plausible. People get frustrated, they get angry, and that anger gets directed initially at their own governments, but they realize their own governments are propped up by our government and they get angry at us as well, I think there is some correlation there, but there are real problems with one, too, especially as a single cause because, first of all, and this one is also not a sufficient or a necessary condition, in autocracies, there are plenty that do not create terrorism at all. There are not a lot of Chinese terrorists attacking us or anybody else. North Koreans, the North Korean government maybe, but the North Koreans have not. Cuba, Venezuela,

we could go on listing plenty of autocracies. So as a single factor to say that lack

of democracy leads to terrorism does not work.

And it is also not a necessary condition because there are places

that are democracies from which terrorists have come. All the attacks in Europe,

when British citizens attack in Britain or somewhere else, or Spanish citizens

attack in Spain or somewhere else, or Indians, there are a lot of terrorist attacks in

India, it is not because those countries are not democracies. So there too as a

single variable it does not work. And it also rather unfortunately leads entirely

open the question of how you promote democracy even once you have decided

that that would be an important factor in all of this.

Next I would say, and I think to me this gets closer to there is no

single variable but a more powerful one, which is the feeling of humiliation and

alienation that I think most terrorists can be associated with. Something has to

drive that anger and violence, and I think this too, and this is something again that

Dan has written a lot of good stuff about, the terrorists in Europe, then fact is that

most of the 9/11 hijackers did come from Europe where, and Peter Bergen and

others have pointed this out, they felt alienated, homesick, lonely, they did not

feel they fit in with their original cultures, but they did not fit in where they were

trying to assimilate either, and that led to anger, humiliation, and violence.

Then lastly, to me very high on the list of what does create a

terrorist is the sense of injustice. I think when you look at most of these people,

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they are also driven, and as Alan has pointed out, they need a political cause and

for that they are often educated, these are educated people and they are angry

because they think that less probably injustice for themselves or even their

families, but their countries and their religion and their civilization has been

mistreated by the West, the United States and Europe, and that will get you pretty

steamed and lead some people to use violence.

So those are some things that I wanted to put out there for the

discussion because I agree with the basic thesis that it is not poverty that drives

most of these people and as I have tried to admit, we really do not what does, it is

some combination of all of these things, but the really important point, and this

takes me back to the compliment, that we need to think seriously about them

because without a rigorous understanding of what does and does not lead to

terrorism, we find ourselves flailing away with all sorts of policies that are either

irrelevant or counterproductive.

MR. GALSTON: The audience has been wonderfully patient, and

your patience needs to be extended for just two more minutes because Professor

Krueger has volunteered make some remarks. As soon as he responds to the

discussants, the floor will be yours.

MR. KRUEGER: I want to thank both Dan and Phil. You might

think that I wrote a bland, noncontroversial book from their comments. That is

not the reaction I have always gotten. I was going to tell you I once got kicked

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out of the World Bank where I was supposed to give a presentation on this material. Now I feel better about it than I did at the time.

(Laughter)

MR. KRUEGER: Let me respond to a few of the points where I think we are in agreement, but there is some agreement. On the Saudis being captured in Iraq, I think the claim in "The New York Times" most recently was of those who were incarcerated, so it is not just of the deceased terrorists. I do not know if that accounts for what was reported in the data that Major General Lynch released.

What causes terrorism? I agree that humiliation, a sense of injustice, does drive people. I think that is the first thing I would point to. I do not know how much of an explanation that is. It is an unjust world. There are a lot of people who feel a sense of profound grievance. There are some who are willing to give up their lives to try to right those injustices. I think that is the world we are always going to live in. My argument was that since we are always going to have these people with such extreme anger, where I think we could best focus our efforts is on the terrorist organizations that are directing their anger. Don't get me wrong, I think attempts to try to reduce the number of people who feel injustice and to reduce the amount of injustice in the world is all worthwhile, but I think if you think about the experience in the West Bank and Gaza Strip, what leads to the cessation of terrorist attacks is not willing participants ebbs and

flows, it is that the terrorist organizations are adjusting their strategies and they are changing and responding to Israel and elsewhere. So that leads me to think about trying to deal more directly with the terrorist organizations. This becomes more difficult as Dan pointed out if we are living in a world of more singletons, I like that expression, with kind of low-budget terrorist attacks. I think fortunately they are difficult to pull off especially when it comes to more serious forms of chemical or biological attacks.

I do not think that we are going to make much progress if we try to reduce all injustice in the world. There are lots of reasons why people feel humiliated. Some might feel humiliated because of poverty. I would not deny that. I do not think that that is the driving motivation of a large number and it does not seem to show up in the data.

The other thing which Phil pointed out which is maybe it is a combination of these things and they all have to kind of be lined up. President Bush said that it was a toxic combination of poverty and a couple of other things, and I think he might have thrown drugs in there, and when I heard toxic combination, as an econometrician I thought of statistical interaction. So I went about trying to test do we see is it a matter of low civil liberties together with high poverty and it did not seem that. What the model seemed to suggest was that the variable that mattered was civil liberties. So I just do not see much support for this idea that poverty is an important component of this.

I think it could be actually potentially dangerous to connect our

foreign aid which I think we should increase to improvements or to our security

because eventually we are going to become less concerned about terrorism and

then we might be providing less foreign aid, and I think that that would be

problematic.

The last thing I will say is that I looked at the messages that the

terrorist groups are trying to send and I want to do a more formal job of this, but I

have done some analysis of the messages that -- has been tracking. They certainly

do emphasize humiliation. They do not emphasize much in terms of economic

humiliation. It is much more religious. I was really struck by how infrequent oil

came up or how infrequent poverty came up. It occasionally came up. And I

think of this almost as a flypaper effect, you just want to throw everything out

there to get as many recruits as you can, get people who feel injustice, and then

you are going to send them when it is in your interests to send them. To me,

trying to reduce the reasons why the organizations have tried to send them or to

reduce their capacity to send them is the most vulnerable spot where I think we

could intervene.

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