TERRORISM
CONSIDERING NEW POLICIES

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Proposal
Superior strategies:

1. Polycentricity.
2. Diffusing Media Attention.
3. Positive Incentives to Leave Terrorism.
terrorism

ubiquitous

history

cultures

countries

regions

ETA
IRA
PFLP
PLO
PKK
LTTE
FARC
RAF
Action Direct
Brigade Rosse

not only
Islam terrorism
Procedure

Part 1  3 strategies

- Polycentricity
- Diffusing Media Attention
- Positive Incentives to Leave Terrorism

Part 2  Applications

- Northern Ireland
- Cross country: civil liberties & political rights

Conclusions
Polycentricity Strategy

- decentralize!
  - reduces terrorists' utility
  - less attacks

Basic idea
- many centers - easy substitution - more stable - less damage

Aspects
- market decentralization
  - competitive conditions
  - resilience of market economy
  - example: 9/11

- political decentralization
  - horizontal division of power
  - vertical federalism
danger

terrorist attack $\Rightarrow$ centralization

- decision-making
- public bureaucracy
- suspension of civil rights

why?

- government political survival
- public decision-makers extend competencies
Strategy of Diffusing Media Attention

"Symbiotic" relationship between terrorists and the media.

Terrorists actively exploit the media.

Counterstrategy

**NOT censorship**

**Diffuse information**

- No credible claim cases
- Many claims

**Government police**

Do not attribute attack to one particular group... but to many.

Examples:
- Tokyo 1995
- Oklah. 1995 Bomb. 1993
- Pan Am 103 88
- Berlin 1986 "La Belle"
- Anti-Am. Arab Lib. Front
- RAF
- Holger Meins Commando
3 Positive incentives

The strategy of positive incentives: general idea

• Deterrence: raising the *direct* cost
• Positive incentives: raising the *opportunity* cost

Strategies

• Offering valued opportunities
• Welcoming repentants
• Granting access to the political process
Positive incentives …

Advantages

• Exit is facilitated
• Cohesiveness is undermined
• Positive sum game

Disadvantages

• Incentives may be insufficient
• Perverse incentives and strategic behavior
Positive incentives …

The case of the Northern Ireland conflict

“[O]ffer [terrorists] a legitimate way to get what they care most and they drop the most extreme aims, and give up terrorism too. It has more or less worked with Sinn Fein in Northern Ireland […]” (Economist 2005).

“[T]he peace process of the 1990s appeared to set a precedent well beyond Northern Ireland in showing that the main insurgent group – the Republican movement, consisting of the Provisional Irish Republican Army (IRA) and its political front, Sinn Fein – could be persuaded to abandon its military campaign in exchange for nothing but a place at the negotiating table” (Neumann 2003).
Positive incentives …

Relationship between freedom and terrorism:

• Evidence from cross-country analyses
• Inverted u-shaped relationship
Positive incentives …

Average # of fatal incidents per country, 1988 - 2000

Source: Luechinger (2002)

Terrorism risk

Source: Abadie (2004)
Positive incentives …

<table>
<thead>
<tr>
<th>Civil liberties</th>
<th>Political rights</th>
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<td>High</td>
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<td>Medium</td>
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<td>Low</td>
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Average # of incidents p.c.
in origin country, 1997 - 2002

Source: Krueger & Laitin (2003)
Positive incentives …

Lessons for the fight against terrorism:

• Positive incentives can work.

• Restricting political rights and civil liberties may backfire.
Concluding remarks

- There are effective alternatives to deterrence.
- No contradiction between a rigid application of constitutional principles and effective counter-terrorism policies.