

# Copenhagen Consensus 2008 Perspective Paper

## Terrorism

**On “Transnational Terrorism” - Perspective Paper on the  
Todd Sandler, Daniel G. Arce, and Walter Enders Paper for the 2008  
Copenhagen Consensus**

by

Michael D. Intriligator

Professor of Economics, Political Science, and Public Policy

University of California, Los Angeles (UCLA) and

Senior Fellow, The Milken Institute

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## 1. Introduction and Overview

The Sandler, Arce, and Enders (2007) paper (referred to below as “SAE”) on transnational terrorism for the May 2008 Copenhagen Consensus provides an excellent overview of the general nature, background, and history of the subject of terrorism and its modern variant in the current globalized world, transnational terrorism (See also Enders and Sandler, 2005 for a comprehensive overview of economic analyses of terrorism). This perspective paper provides a supplement to and extension of this paper, discussing some important issues related to the future of transnational terrorism that were not covered in the SAE paper. *First*, it treats some of the devastating consequences of the potential for transnational terrorist acquisition and use of *weapons of mass destruction*, including nuclear, biological, and chemical weapons. *Second*, it discusses some important ways of preventing or treating the consequences of transnational terrorism through *international cooperation and mutual support* among national governments, international public and private organizations, and global business. Such cooperation and mutual support represents important ways of dealing with the major challenges to the world community represented by transnational terrorism.

## 2. The Evolving Nature of Transnational Terrorism

Transnational terrorism has become a powerful and growing force in the current globalized world system. It has manifold dimensions: security, economic, political, environmental, and others that can affect the future of the planet.

Terrorism is “the premeditated use or threat to use violence by individuals or subnational groups in order to obtain a political or social objective through the intimidation of a large audience beyond that of the immediate victims.” (Enders and Sandler, 2005) Terrorism has become a global phenomenon in what amounts to yet another manifestation of globalization. What was formerly a phenomenon of nations, such as Ireland, Sri Lanka, and Israel and, earlier, a tactic used in the developing world’s struggle for independence from the colonial empires of Britain, France, Holland, Belgium, and other great powers, has evolved from a regional to a multinational and now global phenomenon. For example, the transnational terrorist organization responsible for the September 11, 2001 (9/11) attacks on the U.S. in New York and Washington, DC, al Qaeda (“the base” in Arabic) that had earlier operated in Sudan and then in Afghanistan and Pakistan, is now a global organization, with branches in Great Britain, Morocco, Iraq, Indonesia, the Philippines, and elsewhere. It has, in fact, learned from global business entities such as McDonalds and Starbucks the value of franchising, setting up franchise operations in many nations. By contrast, the U.S. after the 9/11 attacks set up a hierarchical organization, the Department of Homeland Security (DHS), to counter al Qaeda and other transnational terrorist organizations but DHS was shown to be dysfunctional in the aftermath of Hurricanes Katrina and Rita in New Orleans and the U.S. Gulf coast. Transnational terrorists have created dispersed and flat organizations, while DHS, the main U.S. antiterrorist organization, is one that is concentrated and top

heavy, attempting to pull together many prior agencies and operations that do not fit together and cannot work together. Transnational terrorist organizations, including al Qaeda, have also borrowed from global business the value of modern technology, making extensive use of the web, Internet, cell phones, etc. for purposes of communication, recruitment, training, fund raising, planning, identification of targets (e.g. via Google World), etc.

The phenomenon of transnational terrorism has made most industrialized countries highly vulnerable to terrorist attacks due to the globalization of communications, the development of international transport (notably air transport), the concentration of populations and resources in urban zones, etc. For many reasons, including the growth of grievances, particularly those toward the U.S. and Europe; religious fanaticism; the advent of weak or failed transitional states; the diffusion of technology; the composition of the population, with more single young men that may become recruits for the terrorists; extremist ideologies; global funding; the growth of transnational crime organizations; and other factors, there will in all likelihood be a continuation of high levels or even a growth of transnational terrorism in the foreseeable future. These are discussed by Norwegian expert on terrorism, Brynjar Lia in his authoritative book, *Globalisation and the Future of Terrorism: Patterns and Predictions*, which concludes by stating that there are "...important structural factors in today's world creating more propitious conditions for terrorism...[leading to a] sustained, if not higher, level of transnational

terrorism.” Lia ends his book by stating that, “Regrettably, high levels of terrorism are going to be with us for a very long time.” (Lia, 2005)

The SAE paper notes the long history of terrorism, dating back at least two thousand years as well as its current nature. (See also Rapoport, 2004 on waves of terrorism). It also correctly asserts that transnational terrorism often occurs during periods of globalization such as the current one that began in the 1960s, after the world started to recover from the devastation of World War II, as well as the previous period of globalization over the 100 year period from the end of the Napoleonic Wars with the Congress of Vienna in 1815 to the outbreak of World War I in 1914 (the SAE paper suggests that this prior wave of globalization started in 1878, presumably with the Congress of Berlin, but elements of this earlier epoch of globalization, that was based on the colonial system, were in place after 1815). The SAE paper, however, understates how transnational terrorism has been evolving in recent years and its potential global impacts in the near future. As one important example of this evolution, transnational terrorism has adopted some approaches of global business, such as the extensive use of franchising and the web and its use of worldwide publicity and recruitment, all of which make it a *transnational* threat, representing a newer development. Another important aspect of its evolution that is understated in the SAE paper lies in the attempt of transnational terrorists to obtain weapons of mass destruction that they may well acquire in the medium-term future, over the next 5 to 15 years. This significant threat is underestimated in the SAE paper, leading them to

conclude that “it is likely that terrorists have succeeded in getting the world to overspend on counterterrorism, while ignoring much more pressing problems for a world besieged with exigencies involving health, the environment, conflict, and governance.” There is no doubt that these other challenges to the world do exist, some of which are explicitly treated by the Copenhagen Consensus, but the threat of transnational terrorists obtaining and using weapons of mass destruction (WMD), whether biological, chemical, or radiological represents an enormous challenge to the world. The SAE paper correctly state that the number of lives lost due to terrorist acts in the recent past have been small by comparison to the lives lost from other causes, but this can change dramatically if the transnational terrorists obtain and use a nuclear weapon as they are bent on doing. (The SAE paper does note, however, that, such threats are beginning to emerge, citing the 2006 and 2007 papers by Ivanova and Sandler)

### **3. The Threat of Transnational Terrorist Use of WMD**

Transnational terrorism and the potential acquisition by terrorists of weapons of mass destruction are part of the 'asymmetric' dynamics of the various unexpected and newer types of threats that have thrust the international community into a new and highly uncertain situation. These dynamics have included not only the 9/11 (2001) al Qaeda terrorist attacks on New York and Washington but also the 10/12 (2002) attack on Bali, the 3/11 (2004) terrorist attacks on Madrid and the 7/11 (2005) terrorist attacks on London. Transnational

terrorist acquisition of nuclear weapons is the logical next step in these dynamics, representing an extremely serious problem that must not be dismissed or minimized. Indeed, the U.S. casualties and losses on 9/11 would be seen as relatively minor in comparison to a possible terrorist strike using nuclear weapons that could involve not thousands of casualties, as in the 9/11 attacks but rather hundreds of thousands or even millions. One of the only things that both candidates in the last U.S. presidential election in 2004 agreed on was that this is *the most serious threat* the country faces.

Graham Allison (2004, 2005, 2006) discusses the issue of a possible terrorist strike using nuclear weapons in his 2004 book, *Nuclear Terrorism*. He emphasizes that, as he puts it in the subtitle of his book, nuclear terrorism is the “*ultimate preventable catastrophe*.” Unfortunately, his conclusion, much as that of the SAE paper on this issue, may be overly optimistic. Allison’s proposals for strict control over fissile material and the prevention of the acquisition of nuclear weapons by additional nations, while excellent policies, are being proposed some 50 years too late, have not yet been adopted, and may not work perfectly even if adopted, as seen in the only partially successful non-proliferation regime. It is even possible that transnational terrorist groups have already obtained enough fissile material to produce a nuclear weapon, given the large amount of the [Fissile] Material Unaccounted For (MUF) worldwide. They may even already possess such a weapon, perhaps one obtained through the A. Q. Khan network based in Pakistan that sold nuclear weapons technology to various nations and

perhaps also to transnational terrorists. They may have also obtained such weapons from the poorly protected stockpiles of tactical nuclear weapons in Russia, including nuclear land mines, nuclear torpedoes, and nuclear “suitcase” bombs.

Of various possible “nightmare scenarios,” most devastating would be a repeat of the earlier terrorist attacks against the U.S., Spain, or Britain, but this time with nuclear weapons. If a terrorist group gained access to a nuclear weapon, it could use it or at least threaten to do so. If Osama bin Laden had even a crude nuclear weapon he could have used it on 9/11 or in other al Qaeda attacks. Some information exists about terrorist’s intentions to obtain nuclear weapons. Osama bin Laden has specifically referred to the acquisition of nuclear weapons by the al Qaeda transnational terrorist network as a “religious duty,” and documents were found in their caves in Afghanistan regarding their intent to obtain and use WMD that even included a schematic diagram of a nuclear weapon. After the 9/11 attacks, al Qaeda spokesman Abu Gheith wrote (2002):

“We have not reached parity with them. We have the right to kill 4 million Americans - 2 million of them children - and to exile twice as many and wound and cripple hundreds of thousands. Furthermore, it is our right to fight them with chemical and biological weapons, so as to afflict them with the fatal maladies that have afflicted the Muslims because of the [Americans'] chemical and biological weapons.”

If this stated goal of retribution were true, the *only* way that al Qaeda could attain this objective would be to use nuclear weapons or highly destructive and sophisticated chemical or biological agents. It would be impossible for them to repeat their 9/11 scenario of hijacked airliners flown into buildings enough times to kill *4 million Americans, including 2 million children.*

Other nightmare scenarios involving transnational terrorist use of WMD include a strike with conventional weapons against a nuclear power plant near a major city such as the Indian Point plant that is just 24 miles north of New York City and that has twenty million people living within a 50-mile radius. Another such scenario would be transnational terrorists placing a nuclear weapon in a container on a freighter entering a major port, such as the Los Angeles/Long Beach port complex, the largest in the U.S. Transnational terrorists could place such a bomb in one of the many containers entering U.S. ports as almost none of them are inspected. Furthermore, the Los Angeles/Long Beach port complex represents an important potential target for terrorists since it accounts for over 40 percent of all U.S. foreign trade. Thus, knocking it out of commission would have an enormous impact on the economies not only of the U.S. but also of all its trading partners, potentially disrupting much of world trade. (Intriligator and Toukan, 2006) Yet another such nightmare scenario would involve transnational terrorists placing a nuclear weapon on a large cruise ship set to detonate when it reaches a major port, such as New York City. (See also Lake (2000) and Garwin (2002)) Some acts of transnational terrorism, including 9/11, were foreseen by

the U.S. Commission on National Security in the 21st Century [the Hart-Rudman Commission] in its 1999 report, which stated that, "Terrorism will appeal to many weak states as an attractive option to blunt the influence of major powers...[but] there will be a greater incidence of ad hoc cells and individuals, often moved by religious zeal, seemingly irrational cultist beliefs, or seething resentment...The growing resentment against Western culture and values...is breeding a backlash...Therefore, the United States should assume that it will be a target of terrorist attacks against its homeland using weapons of mass destruction. The United States will be vulnerable to such strikes." (U.S. Commission on National Security in the 21st Century, 1999) A similar conclusion involving transnational terrorist use of WMD should be reached today.

It is customary to classify nuclear, biological, chemical, radiological weapons as WMD, but there are important differences among these weapons. In fact, it is misleading or even mistaken to lump together all of these weapons as one category of "Weapons of Mass Destruction" since nuclear weapons are in a class all to themselves in view of their tremendous destructive potential. While nuclear weapons are not now, as far as we know, in the hands of transnational terrorists, they could be sometime in the future, given that this is an old technology that is well understood worldwide and given that there has recently been a proliferation of WMD-related technologies and materiel. Furthermore, recent trends in terrorist incidents indicate a tendency toward mass-casualty attacks for which WMD are ideally suited. There is even a type of rivalry between

various transnational terrorist groups to have the largest impact and the greatest publicity, topping the actions of rival groups and driving them ultimately and inexorably to the acquisition and use of WMD, given that they have the means, motive, and opportunity to do so.

The terrorist attacks on the World Trade Center (1993), the Tokyo subway (1995), and the Murrah Federal Building in Oklahoma (1995) clearly signaled the emergence of this new trend in terrorism mass casualty attacks. Terrorists who seek to maximize both damage and political impact by using larger devices and who try to cause more casualties have characterized this new pattern of terrorism. There have also been the revelations that A. Q. Khan, the “father” of Pakistan’s nuclear weapon, provided nuclear weapons technology to several nations, suggesting the emergence of a type of nuclear weapons “bazaar” that will sell components, technology, fissile material, etc. to the highest bidder, including another nation such as North Korea, or Iran or possibly a well-financed terrorist group. If terrorists had access to the needed funding they could probably easily find another such expert or middleman to provide them the detailed plans or even the components for a nuclear weapon.

There are many different types of terrorist groups or networks worldwide; they are not all fundamentalist Muslim or based in the Middle East or South and Southeast Asia. Two types of terrorist groups that might resort to the use of WMD against the U.S. are non state-sponsored terrorists and state-sponsored terrorists. Non state-sponsored terrorists are those that operate autonomously,

receiving no significant support from any government. These groups may be transnational; they don't see themselves as citizens of any one country and they operate without regard for national boundaries. Typical of such groups is al Qaeda. Most present perceptions in the U.S. are that the primary goal of al Qaeda is to attack the American people based upon what they think and believe rather than what the U.S. foreign policy is and how it is implemented. This is a narrow view, however, for one should look more closely at the strategic aims of al Qaeda and other radical extremists. Their aims include: stopping all U.S. aid to Israel with the ultimate aim of eliminating Israel altogether; removing the presence of U.S. and other western forces from the Middle East region (from Morocco to Iran and from Syria to Yemen); stopping the U.S. protection of oppressive Middle Eastern regimes; the overthrow of the House of Saud and the establishment of a fundamentalist radical regime in Saudi Arabia (bringing all of its energy resources - about 60 percent of the world's proven oil reserves - under their version of Islamic control); and the eventual establishment of a Pan-Islamic state stretching across the Middle East and Asia.

State-sponsored terrorists are international groups that generally operate independently but are supported and controlled by one or more nation-states as part of waging asymmetric surrogate war against their enemies. The U.S. has labeled Cuba, Iran, Libya, North Korea, Sudan and Syria as states sponsoring terrorism. The common motive between the two groups is to undermine U.S. policy and influence, and for the U.S. to change its policy. Their motivation is

probably not merely poverty and ignorance, as is often alleged, but rather revenge for past humiliations and retribution as stated in the above quote from Abu Gheith. As Friedman (2003) states, "The single most underappreciated force in international relations is humiliation." (See also Stern (2000, 2003)). Of course, different terrorist groups have different motivations and ideologies, so there is no such thing as a "stereotypical terrorist." Furthermore, a terrorist network would not be able to operate in the capacity that they do in the absence of other components that engage in fundraising, recruitment, and social support. In contrast to previous forms of transnational terrorism, the support base of transnational terrorist groups has spread throughout the globe rather than in any distinct geographical cluster.

One important consequence of the U.S. invasion of Afghanistan was to eliminate the main base of al Qaeda, destroying its central command structure. In the absence of this central command structure, individual networks appear to have gained greater freedom and independence in tactical decisions than the traditional terrorist cells of the past. This particular trend in terrorism represents a different and potentially far more lethal one than that posed by the more familiar, traditional, terrorist adversaries. The 9/11 attacks demonstrated that transnational terrorism is now more lethal and that it can have a fundamental political and strategic impact. The threat of terrorist use of WMD is still possible and perhaps inevitable given the goals of al Qaeda, which is probably now rebuilding its central command structure.

There has been to date only one example of a terrorist group using WMD. This historic example is the release of sarin nerve gas on the Tokyo subway by the Japanese terrorist group Aum Shinrikyo on March 20, 1995. This attack represented the crossing of a threshold and demonstrated that certain types of WMD are within the reach of some terrorist groups. The attack came at the peak of the Monday morning rush hour, right under police headquarters, in one of the busiest commuter systems in the world and resulted in 12 deaths and over 5,000 injuries. While the number of deaths was relatively small, this was the largest number of casualties of any terrorist attacks up to that time. This number of casualties is exceeded only by the 9/11 attacks on the World Trade Center in New York and the Pentagon in Virginia as well as in Pennsylvania, which resulted in about 3,000 deaths and almost 9,000 nonfatal casualties. Even before their attack on the Tokyo subway Aum Shinrikyo had conducted attacks using sarin and anthrax. Following this 1995 attack in Japan, President Clinton issued Presidential Decision Directive 39 stating that the prevention of WMD from becoming available to terrorists is the highest priority of the U.S. government.

#### **4. Countering Transnational Terrorism: The Role of Mutual Support**

Just as transnational terrorism has been evolving in recent years, the approaches to countering it must also evolve, but they have not done so. It is starting to be recognized that transnational terrorism cannot be treated by government's action alone and certainly not by a single government's action, as

for example in the rhetoric of U.S. President George W. Bush after the 9/11 attacks. President Bush ultimately realized that the U.S. alone could not counter transnational terrorism and declared a “Global War on Terror” (GWOT) to enlist the support of other nations.

Both national governments and international public and private organizations could play an important role in helping counter transnational terrorism, in two ways. *First*, national governments and international organizations, including global businesses, can provide more extensive mutual support to counter transnational terrorism. *Second*, the same organizations could play a key role in preventing transnational terrorists from acquiring resources of fissile material (particularly highly enriched uranium, for which a bomb design is straightforward and well understood, in contrast to plutonium) funding, recruits, weapons, information, etc. The first is essential to deal with potential transnational terrorist strikes using WMD, while the second is one of the most important ways of preventing such strikes.

Transnational terrorism and global business are two important aspects of the current wave of globalization, and *mutual support* could be a highly important means to counter transnational terrorism, ranging from local law enforcement agencies and first responders, to corporations, states and regions, up to and including nations and international organizations. A historical example of such mutual support is the aid from over a century ago that the citizens of Los Angeles provided San Francisco after the 1906 earthquake and fire. They sent a train

filled with relief supplies of food, medicine, tents, blankets, etc. that arrived just *one day* after the disaster. Local jurisdictions like Los Angeles have mutual aid agreements with other jurisdictions but it is not clear how well they will work in a major disaster such as a terrorist strike using WMD, including nuclear weapons, which may happen. (See Katona, Sullivan, and Intriligator, Eds. 2006, especially Intriligator and Toukan, 2006.) Also illustrative of such mutual support are the examples in Sheffi (2005) of companies helping each other in emergency situations, whether natural disasters or terrorist strikes. (See also Alexander and Alexander, 2002; Auerswald et al, 2006; and Lia, 2005). Current antiterrorism entities, whether at the national level, such as the U.S. DHS or at the international level could well learn the value of augmenting their use of such mutual support from the experience of local first responders as well as that of business entities. In addition, global business could play an important role in depriving global terrorist organizations, such as al Qaeda of resources needed to conduct terrorist acts. Unfortunately the DHS, while publicly emphasizing such cooperation and mutual support with other public and private entities at both the national and international level, does not adequately act in this way, remaining aloof of other entities with which it might well cooperate and remains focused on preventing a repeat of 9/11.

## 5. Mutual Support among Nations

Nations must rely on mutual support to deal with the threat of transnational terrorism. There must be joint production of intelligence to combine and collate information about potential terrorist strikes and the capabilities of terrorist organizations.

It should also be recognized that the most effective way to defeat transnational terrorism is not to try to protect vulnerable assets. That is the principal approach of the U.S. DHS, which concentrates on protecting airplanes and airports, ignoring other potential targets. Such an approach is like generals fighting the last war, in this case, the 9/11 attacks. Many other types of terrorist attack are possible, however, as seen in the Bali, Madrid, London, and other terrorist attacks since 2001 on nightclubs, trains, buses, and subways. In fact, there are an enormous number of potential targets for terrorists, including railroads, seaports, chemical plants, nuclear power plants, bridges, tunnels, and high-rise buildings, just to name a few. If certain potential targets are protected, such as airplanes and airports that will not solve the problem of terrorism since the terrorists will simply substitute other targets, following the path of least resistance. An economist, William Landes, recognized the importance of such *substitution* 50 years ago in his 1957 article, where he noted that in a period of airplane hijackings, simply improving the safety of the airplanes would lead the terrorists to substitute other targets for airplanes (Landes, 1957). He noted as one possibility terrorist strikes on embassies,

which actually occurred many years later in East Africa in the al Qaeda strikes on U.S. embassies in Kenya and Tanzania.

A much more effective strategy to deal with transnational terrorism is to deprive terrorist organizations of resources of funding, recruits, weapons, information, etc. and particularly fissile material that could be used to manufacture a nuclear weapon through joint actions of nations in collaboration with international organizations, private and public. That would be an appropriate part of President George W. Bush's "Global War on Terror." It should also include directly confronting the terrorists in their bases and training camps, such as those of al Qaeda in the tribal areas of Pakistan.

## 6. Conclusions and Recommendations

Transnational terrorism is a new phenomenon that clearly represents a serious threat today, the most dangerous aspect of which is the threat of such terrorists acquiring and using WMD. Equally clearly, the current U.S. and other national systems to defend against transnational terrorism as well as current global institutions are *not prepared* to deal with this threat. Both national and international systems can learn how these threats can be addressed through mutual support, following the example of global business as well as local police, fire, and other first responders. Both local safety agencies and global businesses have learned the value of cooperation and mutual support from

experience. This experience could be applied at other levels, whether at the national or international level to address the threat of transnational terrorism.

Overall, we are probably not any safer now than we were before the implementation of the post 9/11 strategies and the situation is even worse given the avowed goal of some transnational terrorist groups to obtain and use WMD. (See Intriligator, 2006) The major question is how can we prevent a terrorist attack using WMD, such as a nuclear 9/11? We should recognize and avoid the denial syndrome and begin thinking about "worst case scenarios" and working on ways to prevent them from happening. We should not ignore the possibility that these horrific events could ever happen, as the U.S. did before 9/11. It is important to study how terrorists think and the nature of their motivation. Terrorists will likely be using the path of least resistance, so tightening up airport security, for example, will mean that they will substitute other vulnerable targets, such as ports, nuclear power plants, chemical plants, bridges, high-rise office buildings, and other critical infrastructure. Clearly any protection should have a net benefit after taking into account its direct and indirect consequences.

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