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Trade, War, and Terror: A Reply to Bhala

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ARTICLE

TRADE, WAR, AND TERROR:
A REPLY TO BHALA

ROBERT J. DELAHUNTY¹

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Raj Bhala argues that the Doha Round is “a failed counter-insurgency operation.” This paper examines and criticizes that claim. The first part examines the traditional “peace through trade” thesis that traces back to the Enlightenment and discusses contemporary formulations and evaluations of that broad thesis. The second part focuses on Bhala’s related “counter-terrorism through trade” thesis. Three questions are raised: First, what exactly is Bhala claiming? Second, is Bhala’s thesis a solution in search of a problem? And most importantly, third, does poverty cause (Islamist) terrorism? In connection with the third question, the paper surveys the current social science literature on the subject. The paper finds that there is a broad consensus across disciplines that the link between poverty and terrorism is unproven and perhaps non-existent. Thus, Bhala’s defense of Doha fails. While there may be strong arguments in equity or efficiency for adopting Doha, it is a mistake to advocate it as effective counter-terrorist policy.

Does freer trade promote counter-terrorism? Professor Bhala thinks so. On that basis, he argues that the 2001 Doha Round should be adopted. Bhala’s thesis, in a nutshell, is that “*the Doha Round is a failed counter-*

1. Associate Professor of Law, University of St. Thomas School of Law. I would like to thank Thomas C. Berg and John C. Yoo for their very helpful comments, and Captain Christopher Motz USMCR, my Research Assistant, for his excellent work.

insurgency operation.”² Bhala draws links between the growth of international trade and wealth creation and between poverty and terrorism. Broadly, his argument is that more trade with the Muslim world will bring it greater affluence, that greater affluence will relieve its poverty, that poverty causes Islamist terrorism, and so that growing wealth in the Muslim world will prevent or reduce such terrorism. But that restatement of the argument somewhat oversimplifies it. So let me use Bhala’s own formulation, which is more nuanced in describing the causal connection that he sees between terrorism and poverty:

The link is not adamantine. The precise causal connection is not entirely clear. But, the basic connection is obvious enough, both self-evident and clear from observed experience: poverty, in the narrow sense of a lack of income, or an even broader sense of oppression, connotes a lack of status as a stakeholder in the global trading system. Put succinctly, marginalization, which is a hallmark of poverty, is a contributory factor in vulnerability to violent religious fanaticism. Conversely, a world trading system in which a person finds opportunity through decently-paying jobs, and thereby hope for the socioeconomic advancement of himself and his family, is one—but by no means the only—way to offer the status of stakeholder. Concomitant with that status is the opportunity for better education and health care, both of which, along with a reduction in income poverty, give a person a rational basis for hope in the system.³

Bhala is careful to say that “neither underdevelopment nor poverty is a necessary or sufficient condition for Islamist extremism.”⁴ Nevertheless, he insists that “neither can they be ignored. They are repeatedly observed phenomena connected with this extremism.”⁵

Bhala’s argument has a highly respectable intellectual pedigree. It is a variation of the traditional “peace through trade” argument that classical liberals like Montesquieu, Hume, Adam Smith and many of their successors have made since the eighteenth century. In Part I of what follows, I will discuss the origins of the classical “peace through trade” thesis and its standing in contemporary international relations theory. To the extent that the “peace through trade” thesis seems established, that fact will tend to support Bhala’s views; to the extent that the thesis is problematic, however, Bhala cannot draw comfort from that source. In Part II, I will focus on Bhala’s specific variation of the “peace through trade” thesis, which chiefly

2. Raj Bhala, *Poverty, Islamist Extremism, and the Debacle of Doha Round Counter-Terrorism: Part One of a Trilogy—Agricultural Tariffs and Subsidies*, 9 U. ST. THOMAS L.J. 5, 9 (2012) (emphasis in original).

3. *Id.* at 16.

4. *Id.* at 26.

5. *Id.*

concerns *non-state, transnational, Islamist terrorism* rather than international war or militarized disputes.

In evaluating Bhala's thesis, I will raise three questions. First, how *exactly* should his thesis be understood? Second, has the problem to which his thesis is addressed—violent Islamist radicalism—been largely solved already? And third, assuming that that problem has *not* been solved, is the Doha Round likely to be a cure for it?

Bhala's thesis is attractive, not least because Islam as a faith and Islamdom as a civilization have historically been very favorable to trade. The Koranic conception of God has been said to be based on "the ideal merchant."⁶ And Islamic tradition has often praised merchants.⁷ Indeed, Mohammed himself was a merchant⁸ and lived in a trading *milieu*.⁹ Even though Islamic civilization has long been hospitable to trade, however, it hardly follows that expanded trade will remedy the radical Islamist violence of the present.¹⁰ In what follows, I will argue that the belief that trade will have such benign effects is not justified.

I. THE "PEACE THROUGH TRADE" THESIS

A. *The Origins*

The eighteenth century Enlightenment witnessed what the philosopher Charles Taylor has described as the beginning of a fundamental change in Western society's "social imaginary." One important aspect of that change, Taylor writes, was "the gradual promotion of the economic to [the] central place" it occupies in modern thought.¹¹ More specifically, leading thinkers

6. MAXIME RODINSON, *ISLAM AND CAPITALISM* 81 (Brian Pearce trans., 1973) (quoting CHARLES C. TORREY, *THE COMMERCIAL-THEOLOGICAL TERMS IN THE KORAN* (1892)).

7. *Id.* at 17 ("It is reported that the Prophet said: 'The merchant who is sincere and trustworthy will (at the Judgement Day) be among the prophets, the just and the martyrs', . . . or: 'Merchants are the messengers of this world and God's faithful trustees on Earth.' According to holy tradition, trade is a superior way of earning one's livelihood: 'If thou profit by doing what is permitted, thy deed is a *djihad* [that is, identified with holy war or any vigorous effort undertaken for God's cause] and, if thou usest it for thy family and kindred, this will be a *sadaqa* [that is, a pious work of charity]; and, truly, a *dirham* [drachma, silver coin] lawfully gained from trade is worth more than ten *dirhams* gained in any other way.' The taste for business that was characteristic of the Prophet and of the holy Caliphs, his first successors, was reported with tenderness. Umar is alleged to have said: 'Death can come upon me nowhere more pleasantly than where I am engaged in business in the market, buying and selling on behalf of my family.'").

8. See, e.g., HANS KÜNG, *ISLAM: PAST, PRESENT & FUTURE* 96 (John Bowden trans., 2007).

9. See, e.g., Mahmood Ibrahim, *Social and Economic Conditions in Pre-Islamic Mecca*, 14 INT'L J. MIDDLE E. STUD. 343, 343 (1982). But scholars have cautioned against overemphasizing the role of Meccan trade in accounting for the origins of Islam. See PATRICIA CRONE, *MECCAN TRADE AND THE RISE OF ISLAM* (1987).

10. More generally, in his searching analysis of contemporary Islamic civilization, Ali Al-lawī argues that Islam's traditional emphasis on a "moral economy" predisposes it against certain features of globalization. See ALI A. ALLAWI, *THE CRISIS OF ISLAMIC CIVILIZATION* 206–28 (2009).

11. Charles Taylor, *Modern Social Imaginaries*, 14 PUB. CULTURE 91, 104 (2002).

of the Enlightenment, especially in Scotland but also in France, Germany, and the United States, began to consider *commerce* as the source of many benefits, including international peace. Taylor writes:

The notion that economic activity is the path to peace and orderly existence gains more widespread acceptance. *Le doux commerce* [gentle commerce] is contrasted with the wild destructiveness of the aristocratic search for military glory. The more a society turns to commerce, the more “polished” and civilized it becomes, the more it excels in the arts of peace. The impetus to make money is seen as a “calm passion.” When it takes hold in a society, it can help to control and inhibit the violent passions. Or put in other language, money-making serves our “interest,” and interest can check and control passion. Kant even believed that as nations become republics, and hence more under the control of their ordinary, economic-minded taxpayers, recourse to war will become rarer and rarer.¹²

As Taylor’s summary suggests, the idea of *le doux commerce* encapsulates three distinguishable claims.¹³ The first concerns *individuals*: it holds that the rise of commerce will modify relations between individuals by instilling a particular set of virtues and by inducing particular habits in our dealings with one another, including probity, moderation, prudence, self-restraint, and an aversion to violence. The second claim concerns domestic political and constitutional relationships *between states and their subjects or citizens*: the classes engaged in commercial activity will gain power and standing in relation to the non-commercial aristocracy and will use that power to introduce more “republican” forms of government. The final claim is a claim about *international relations*: that foreign trade will tend to produce peace between nations that are trading partners. These three claims correspond to the “three levels” of explanatory “images” in international relations theory that Kenneth Waltz famously identified, *viz.*, first, the individual level; second, the state or domestic level; and third, the level of the international system of states.¹⁴

12. *Id.* Credit for rediscovering the importance of *le doux commerce* as a motif of Enlightenment though goes to the economist Albert O. Hirschman. See ALBERT O. HIRSCHMAN, *THE PASSIONS AND THE INTERESTS: POLITICAL ARGUMENTS FOR CAPITALISM BEFORE ITS TRIUMPH* 56–63 (1977); Albert O. Hirschman, *Rival Interpretations of Market Society: Civilizing, Destructive, or Feeble?*, 20 J. ECON. LITERATURE 1463, 1464–66 (1982). Some thinkers of the Enlightenment and its immediate aftermath—including James Madison—had far more pessimistic views of the “eternal empire of commerce.” See Emma Rothschild, *Language and Empire, c. 1800*, 78 HIST. RES. 208, 213–17 (2005).

13. These three claims correspond to the “three levels” of “images” famously identified by Kenneth Waltz in *MAN, THE STATE, AND WAR: A THEORETICAL ANALYSIS* (1954), *viz.*, the individual, the state, and the international system of states.

14. KENNETH WALTZ, *MAN, THE STATE, AND WAR: A THEORETICAL ANALYSIS* (1954).

The three claims are interrelated in various ways. Thus, the eighteenth century Anglo-American writer Thomas Paine connected all three claims when he said that commerce:

[I]s a pacific system, operating to cordialise mankind, by rendering nations, as well as individuals, useful to each other. . . . If commerce were permitted to act to the universal extent it is capable, it would extirpate the system of war, and produce a revolution in the uncivilized state of governments.¹⁵

Of the three claims, the most relevant here is that which concerns international relations: the “peace through trade” thesis.¹⁶ Throughout the nineteenth century, classical liberals developed and refined that thesis. Thus, the French economist Frédéric Bastiat argued in 1845 that the *interdependency* of nations that engage in trade discourages them from going to war and even from undertaking armaments programs:

If nations remain permanently in the world market; if their interrelations cannot be broken without their peoples’ suffering the double discomfort of privation and glut; they will no longer need the mighty navies that bankrupt them or the vast armies that weigh them down; the peace of the world will not be jeopardized by the caprice of a Thiers [a French statesman, opponent of free trade and advocate of an anti-British policy] or a Palmerston [British Foreign Secretary, hostile to France].¹⁷

The nineteenth century British parliamentarian and liberal thinker Richard Cobden also extolled the benefits of trade, arguing that free trade would eventually lead to world peace. In a speech he delivered in Manchester in 1846, Cobden said:

I see in the Free-trade principle that which shall act on the moral world as the principle of gravitation in the universe,—drawing men together, thrusting aside the antagonism of race, and creed, and language, and uniting us in the bonds of eternal peace. I have looked even farther. I have speculated, and probably dreamt, in the dim future—ay, a thousand years hence—I have speculated on what the effect of the triumph of this principle may be. I believe that the effect will be to change the face of the world, so as

15. 2 THOMAS PAINE, *RIGHTS OF MAN: PART SECOND, COMBINING PRINCIPLE AND PRACTICE* (1772), reprinted in *THE WRITINGS OF THOMAS PAINE* 390, 456 (Moncure Daniel Conway ed., 1894), available at files.libertyfund.org/files/344/0548-02_Bk.pdf.

16. See MICHAEL HOWARD, *WAR AND THE LIBERAL CONSCIENCE* 31 (1978) (“By the end of the eighteenth century a complete liberal theory of international relations, of war and peace, had . . . already developed.”).

The “peace through trade” thesis is related to another “liberal peace” thesis—that democracies tend not to go to war with each other. For a discussion of the “democratic peace” thesis and a review of the literature on it, see Robert J. Delahunty & John Yoo, *Kant, Habermas and Democratic Peace*, 10 *CHI. J. INT’L L.* 437 (2010).

17. FRÉDÉRIC BASTIAT, *ECONOMIC SOPHISMS* 99 (Arthur Goddard ed. & trans., Found. for Econ. Educ. 1996) (1845), available at files.libertyfund.org/files/276/0182_Bk.pdf.

to introduce a system of government entirely distinct from that which now prevails. I believe that the desire and the motive for large and mighty empires; for gigantic armies and great navies—for those materials which are used for the destruction of life and the desolation of the rewards of labour—will die away; I believe that such things will cease to be necessary, or to be used, when man becomes one family, and freely exchanges the fruits of his labour with his brother man.¹⁸

The English philosopher, economist, and parliamentarian John Stuart Mill also endorsed the thesis. In his *Principles of Political Economy* (1848), Mill contended that the expansion of foreign trade had not only direct, economic advantages for the trading nations but also indirect benefits, including the promotion of peace:

Commerce first taught nations to see with good will the wealth and prosperity of one another. Before, the patriot, unless sufficiently advanced in culture to feel the world his country, wished all countries weak, poor, and ill-governed, but his own: he now sees in their wealth and progress a direct source of wealth and progress to his own country. It is *commerce* which is rapidly rendering war obsolete, by strengthening and multiplying the personal interests which are in natural opposition to it. And it may be said without exaggeration that the great extent and rapid increase of international trade, in being the principal guarantee of the peace of the world, is the great permanent security for the uninterrupted progress of the ideas, the institutions, and the character of the human race.¹⁹

The “peace through trade” thesis flourished in the nineteenth century. As the historian Geoffrey Blainey has noted, “[t]he long peace that followed the Battle of Waterloo was increasingly explained as the result of the international flow of commodities and ideas.”²⁰ But the thesis suffered a serious blow with the outbreak of the First World War. As critics of the thesis have argued since then, that war (along with other conflicts) seems to provide a clear refutation of it. “High levels of economic integration did not prevent World War I, and nations that were . . . unified . . . have peacefully dissolved or fought civil wars.”²¹ Indeed, one might plausibly argue that the

18. Richard Cobden, *Free Trade*. XX. (Jan. 15, 1846), in 1 *SPEECHES ON QUESTIONS OF PUBLIC POLICY BY RICHARD COBDEN, M.P.* 181, 187 (John Bright & J.E. Thorold Rogers eds., 3d ed. 1908).

19. JOHN STUART MILL, *PRINCIPLES OF POLITICAL ECONOMY WITH SOME OF THEIR APPLICATIONS TO SOCIAL PHILOSOPHY* 582 (W. J. Ashley ed., 1915) (emphasis added).

20. GEOFFREY BLAINEY, *THE CAUSES OF WAR* 18 (1973).

21. Robert Jervis, *Theories of War in an Era of Leading-Power Peace*, 96 *AM. POL. SCI. REV.* 1, 6 (2002); see also Dale C. Copeland, *Economic Interdependence and War: A Theory of Trade Expectations*, 20 *INT’L SEC.* 5, 6 (1996); Jack S. Levy, *War and Peace*, in *HANDBOOK OF INTERNATIONAL RELATIONS* 350, 358 (Walter Carlsnaes, Thomas Risse & Beth A. Simmons eds., 2002).

high level of interdependence *provoked* the First World War as Germany, fearful that other nations' protectionism would close off their markets to its finished products or that vital food and commodity imports from them would be denied to it, went to war in order to prevent such outcomes.²² Recent analysis, however, has questioned whether the First World War truly does provide decisive evidence against the "peace through trade" thesis.²³

By contrast, the Second World War was widely understood to have resulted from the neo-mercantilist, trade-restrictive policies that the major nations pursued during the inter-war period. Prominent decision-makers like Cordell Hull, who served from 1933 to 1944 as President Franklin Roosevelt's Secretary of State, firmly believed that liberalized trading rules would promote peace. Hull made the pursuit of open markets a centerpiece of American foreign policy. In his memoirs, he wrote that even early in his political career:

I saw that you could not separate the idea of commerce from the idea of war and peace . . . [and] that wars were often largely caused by economic rivalry conducted unfairly [T]o me, unhampered trade dovetailed with peace; high tariffs, trade barriers, and unfair economic competition, with war.²⁴

Hull's decades of efforts culminated in the post-Second World War General Agreement on Tariffs and Trade (GATT).

Ironically, however, just as some later scholarship has denied that the outbreak of the First World War contradicts the "peace through trade" thesis, so later scholars have challenged the views that the Second World War was caused by neo-mercantilism and that the "Long Peace" after 1945 was due primarily to the liberal global trading patterns of that period.²⁵

B. *Contemporary Liberal Theory and its Critics*

Recent years have seen a renewal of interest in the liberal "peace through trade" thesis. There are in fact several distinct positions in the contemporary restatements,²⁶ but the core of the contemporary (third-level)

22. See generally KENNETH N. WALTZ, *The Myth of National Interdependence*, in REALISM AND INTERNATIONAL POLITICS 152 (2008).

23. See Patrick McDonald, *Peace Through Trade or Free Trade?*, 48 J. CONFLICT RESOL. 547, 569 (2004).

24. DOUGLAS A. IRWIN, TRADE LIBERALIZATION: CORDELL HULL AND THE CASE FOR OPTIMISM 5 (2008).

25. See Barry Buzan, *Economic Structure and International Security: The Limits of the Liberal Case*, 38 INT'L ORG. 597, 599–601 (1984).

26. For synopses of a variety of liberal arguments affirming that trade leads to peace, see Cullen F. Goenner, *Uncertainty of the Liberal Peace*, 41 J. PEACE RES. 589, 590 (2004); Levy, *supra* note 21, at 356–58; Copeland, *supra* note 21, at 8 n.2. For useful surveys of the literature on the influence of trade, see Erik Gartzke, Quan Li & Charles Boehmer, *Investing in the Peace: Economic Interdependence and International Conflict*, 55 INT'L ORG. 391, 393–96 (2001); Susan McMillan, *Interdependence and Conflict*, 41 MERSHON INT'L STUD. REV. 33 (1997).

thesis is that because trade provides valuable gains to states, states should seek to avoid war (especially with their trading partners) because peaceful trading will give them essentially all the benefits they want from other states without the costs and risks of war. For some liberal theorists, the most important of these costs are the losses incident to the interruption of trade during a conflict—the “opportunity costs” of war.²⁷ Other liberal theorists emphasize instead that war entails loss of life, destruction of property, heavy expenditures, and the chance of defeat.²⁸ The risk of such losses may outweigh any prospective gains from victory. Furthermore, even if the outcome of a war is successful, the occupation of a conquered territory and the pacification of its inhabitants (as the United States found in Iraq) is often sufficiently burdensome as to prevent a military victory from being profitably exploited. Finally, developing rational choice theories of war and peace,²⁹ some liberal theorists suggest that trade flows may have a “signaling” function that provides an accurate and observable measure of a na-

Influential presentations of the “peace through trade” thesis include John R. Oneal & Bruce Russett, *Clear and Clean: The Fixed Effects of the Liberal Peace*, 55 INT’L ORG. 469 (2001); John R. Oneal & Bruce Russett, *The Kantian Peace: The Pacific Benefits of Democracy, Interdependence, and International Organizations, 1885–1992*, 52 WORLD POL. 1 (1999); John R. Oneal & Bruce M. Russett, *The Classical Liberals Were Right: Democracy, Interdependence, and Conflict, 1950–1985*, 41 INT’L STUD. Q. 267 (1997) [hereinafter Oneal & Russett, *The Classical Liberals*]; and Solomon W. Polachek, *Conflict and Trade*, 24 J. CONFLICT RESOL. 55, 56, 60 (1980). A strong recent reaffirmation of the thesis based on empirical research is Zeev Maoz, *The Effects of Strategic and Economic Interdependence on International Conflict Across Levels of Analysis*, 53 AM. J. POL. SCI. 223, 234 (2009) (“The dampening impact of economic interdependence on conflict at the monadic, dyadic, and systemic level is robust and significant. This is so regardless of the data used to measure economic interdependence, and regardless of the method used to treat missing data.”).

27. See Gartzke, Li & Boehmer, *supra* note 26, at 394 (“The central logic of most studies of conflict and interdependence is that states are less likely to fight if there exist additional opportunity costs associated with military force.”); Edward D. Mansfield & Jon C. Pevehouse, *Trade Blocs, Trade Flows, and International Conflict*, 54 INT’L ORG. 775, 776 (2000); McMillan, *supra* note 26, at 34–35, 37; Oneal & Russett, *The Classical Liberals*, *supra* note 26, at 270; Polachek, *supra* note 26, at 56, 60. Patrick McDonald styles this “the opportunity cost or deterrence model.” McDonald, *supra* note 23, at 549.

Critics of the “peace through trade” thesis have questioned the existence of such costs, based upon their finding that “[t]here is no consistent, systematic, and substantial reduction in trade between belligerents during wartime, and trade between adversaries appears to recover quickly after the termination of war.” These critics also acknowledge, however, that their evidence is “modest in strength.” Katherine Barbieri & Jack S. Levy, *Sleeping with the Enemy: The Impact of War on Trade*, 36 J. PEACE RES. 463, 475 (1999).

28. See RICHARD ROSECRANCE, *THE RISE OF THE TRADING STATE: COMMERCE AND CONQUEST IN THE MODERN WORLD* 155–62 (1986). McDonald labels this the “efficiency” argument. McDonald, *supra* note 23, at 549.

For criticism of the claim that conquest (never) pays in contemporary conditions, see PETER LIBERMAN, *DOES CONQUEST PAY? THE EXPLOITATION OF OCCUPIED INDUSTRIAL SOCIETIES* (1996). Liberman finds that conquest will still pay if the conqueror is ruthless enough. For an evaluation of the competing claims, see Jervis, *supra* note 21, at 6.

29. See James D. Fearon, *Rationalist Explanations for War*, 49 INT’L ORG. 379, 380–81 (1995); R. Harrison Wagner, *Bargaining and War*, 44 AM. J. POL. SCI. 469, 478–80 (2000).

tion's unobservable resolve to go to war over a dispute and thus may contribute to the dispute's peaceful resolution.³⁰

Liberal theorists have also made second-level arguments, contending that foreign trade promotes peace by tilting domestic power towards constituencies that have developed powerful stakes in maintaining peace and away from constituencies that favor protectionism and that are more prone to support war-making by the state.³¹ Another second-level argument claims that as a state's ability to harness private sector resources (as through protectionism) gives it increased fiscal independence from its citizenry and frees it to construct a war machine.³²

Contemporary liberal theories of "peace through trade" have significant intellectual competition. Criticism of the theory comes from two quarters: first, from those who deny that trade has any significant impact one way or the other on the likelihood of war (or other forms of militarized interstate conflict) and, second, from those who argue that trade actually *raises* the chances of international conflict.³³ Interestingly (as we shall see), some of the critics stand squarely within the liberal tradition itself but believe that the liberal peace thesis should emphasize economic factors other than, or in addition to, *trade*.

Much of the recent criticism builds on the critical insights of the economist A.O. Hirschman in his *National Power and the Structure of Foreign Trade* (1945).³⁴ Hirschman noted that trade between two states may be *asymmetrical*. In other words, one trading partner (usually, the one with the smaller economy) may be far more dependent on maintaining the trading

30. See Gartzke, Li & Boehmer, *supra* note 26, at 392–93, 399–404 (affirming linkage between economic interdependence and peace but emphasizing the possibility of "costly signaling" through capital markets rather than through trade flows); James D. Morrow, *How Could Trade Affect Conflict?*, 36 J. PEACE RES. 481, 488 (1999) (finding that while trade has only a modest tendency to deter conflict—because trade factor that tends to inhibit aggression by one party also encourages it in the other—states can use trade flows as costly signals to indicate intensity of their resolve to fight over a disputed issue).

31. See McDonald, *supra* note 23, at 551–54; Levy, *supra* note 21, at 356.

32. See Patrick J. McDonald, *The Purse Strings of Peace*, 51 AM. J. POL. SCI. 569, 571 (2007); McDonald, *supra* note 23, at 555–56.

33. See Katherine Barbieri, *Economic Interdependence: A Path to Peace or a Source of Interstate Conflict?*, 33 J. PEACE RES. 29, 30–33 (1996) (summarizing competing theories of relationship between trade and conflict). "Realist" theories of international relations tend to favor the first of these criticisms although some realists, like Kenneth Waltz, make the second claim; Marxist theories of international relations advance the second criticism.

34. Hirschman argued that although "the case for free trade, on economic or welfare grounds [is] unanswerable," nonetheless free trade "does not have the additional merit of doing away with the political aspect of international economic relations." ALBERT O. HIRSCHMAN, *NATIONAL POWER AND THE STRUCTURE OF FOREIGN TRADE* 76 (1945). For a review and critique of Hirschman's book, which it judges to be "the most highly developed theory of economic dependence and its political uses that we have," see R. Harrison Wagner, *Economic Interdependence, Bargaining Power, and Political Influence*, 42 INT'L ORG. 461, 462–65 (1988).

relationship than the other partner (the larger economy).³⁵ Hirschman thought that Nazi Germany sought to use foreign trade to make the smaller economies of Central Europe increasingly dependent on access to the German market and hence more submissive to the Nazis' foreign policy goals.³⁶ In light of Hirschman's analysis, some critics of the "peace through trade" thesis contend that while symmetrical trade ties may promote peace, "asymmetrical dependence creates tensions that may manifest themselves in conflict."³⁷ On that approach, liberal theorists may be right about *symmetrical* trade but are mistaken about *asymmetrical* trade.³⁸

One prominent critic of the "peace through trade" thesis is Katherine Barbieri. Barbieri focuses on the notion of trade "interdependence" which, though pivotal to the liberal thesis, has proven contentious both to define and to measure.³⁹ Barbieri broke "interdependence" down into two compo-

35. More fully, because the gains of trade may not accrue proportionately to the trading states (Germany's trade with Hungary likely benefited Hungary far more than it did Germany), the distribution of the gains may affect power relationships between those states (Germany's threat to cut off trade with Hungary would be more powerful than Hungary's threat to cut off trade with Germany). See Mansfield & Pevehouse, *supra* note 27, at 776–77.

36. See HIRSCHMAN, *supra* note 34, at 34–40. To be sure, the small Central European states (unlike colonies) presumably had alternative markets for their exports and alternative sources of supply for their imports, even if the terms of trade with them were less beneficial. But in Hirschman's theory, Germany could attempt to induce or sustain trade dependency by taking special measures that made it difficult for those states to shift their trade to other partners (e.g., demanding "bilateral agreements" conditioning those states' ability to export to Germany on their taking imports from Germany), thus aggravating the difficulties that they would experience in attempting to shift either their exports or their imports away from Germany; paying above world prices for their exports; preventing the transit of their exports to third countries; blocking payments; etc. Further, in order to prevent the development of industry (and the self-dependence in manufactures that would accompany it) within a smaller trading partner, Germany could engage in practices such as predatory dumping. Once trade dependency was consolidated, Germany could then exploit its market power to create both political *and* economic benefits for itself. On the economic side, it could impose higher tariffs on products in accordance with the level of dependency on the German market, in effect price-discriminating in the sale of access to the German market in the same way that monopolists price discriminate to reap the full advantage of their monopoly power. On the political side, the payoff would come in the form of increased ability to dominate the smaller state's military strategy and foreign policy. The Nazi policy also had the effect of lessening Germany's dependence on overseas markets, from which the effective British blockade of the First World War had cut her off, and from which she would likely be cut off again when, as Hitler planned, war was resumed.

37. Katherine Barbieri & Gerald Schneider, *Globalization and Peace: Assessing New Directions in the Study of Trade and Conflict*, 36 J. PEACE RES. 387, 390 (1999); see also Oneal & Russett, *The Classical Liberals*, *supra* note 26, at 271; Håvard Hegre, *Size Asymmetry, Trade, and Militarized Conflict*, 48 J. CONFLICT RESOL. 403, 403–04 (2004). In a similar vein, Buzan argues that a liberal global economic order tends to favor the "center" over the "peripheries," resulting in conflict and interventionism by the former in the latter. See Buzan, *supra* note 25, at 616–17.

38. See Barbieri, *supra* note 33, at 31–32.

39. See, e.g., Hyung Min Kim & David L. Rousseau, *The Classical Liberals Were Half Right (or Half Wrong): New Tests of the 'Liberal Peace', 1960–88*, 42 J. PEACE RES. 523, 530 (2005) (specifying and evaluating various ways in which the literature has operationalized economic interdependence); Eric Gartzke & Quan Li, *Measure for Measure: Concept Operationalization and the Trade Interdependence: Conflict Debate*, 40 J. PEACE RES. 553, 554 (2003) (discussing complexities of determining interdependence and suggesting that the debate in the literature "may be

nents: (1) the “salience” or “importance” of trade to each member of a pair of trading partners and (2) the “symmetry” of their trade or the “equality of dependence” between those partners.⁴⁰ She argued that “interdependence” resulted from the interaction between “salience” and “symmetry.” She also used “trade share,” or the share of trade each state maintained with each of its trading partners, to measure the relative importance to a state of any single trade relationship with any other and to calculate salience, symmetry, and interdependence.⁴¹ On those assumptions, she found, first, that “rather than inhibiting conflict, salient trading relationships are more conflict-prone than other types of relationships, contradicting the liberal argument[;]”⁴² second, that symmetry or “the balance of dependence” is “more important for fostering peace than the extent of trade ties[;]”⁴³ and third, that “[n]ot only does interdependence lack the strength to limit the probability of conflict, but . . . [it] actually increases the likelihood of conflict.”⁴⁴ Thus, “[a]lthough the salience and symmetry of the relationship initially inhibit conflict, as either dimension increases, the interaction effect reveals that the potential for conflict also increases.”⁴⁵

Barbieri’s findings have been controversial: some critics contend that they seem to be driven by her chosen measure of interdependence,⁴⁶ others that she failed to isolate the relevant trading pairs.⁴⁷ My point here is not to affirm the correctness of her views, however. I mention them chiefly to show that although the “peace through trade” thesis unquestionably has substantial theoretical and empirical support, it cannot be said, in the cur-

due in part to differences in variable construction”); Gartzke, Li & Boehmer, *supra* note 26, at 394 (“There are many ways to conceive of interdependence.”).

40. See Barbieri, *supra* note 33, at 36. Barbieri also used “militarized interstate disputes” rather than “war” as a measure of “conflict.” *Id.* at 35. Militarized interstate disputes are “a set of interactions between or among states involving threats to use military force, displays of military force, or actual uses of military force.” Charles S. Gochman & Zeev Maoz, *Militarized Interstate Disputes, 1816–1976: Procedures, Patterns, and Insights*, 28 J. CONFLICT RESOL. 585, 587 (1984).

41. Barbieri, *supra* note 33, at 35.

42. *Id.* at 39.

43. *Id.* at 40.

44. *Id.*

45. *Id.*

46. See Gartzke, Li & Boehmer, *supra* note 26, at 395.

47. See Oneal & Russett, *The Classical Liberals*, *supra* note 26, at 272 (stating that Barbieri analyzed all pairs of states for which trade data were available, thus failing to control for the spatial distances between trading partners, and arguing that because neighboring states have a high incidence rate of disputes and also high trade levels in relation to each other, Barbieri’s data set was “apt to produce a spurious association between interdependence and conflict”).

For a later assessment of the controversy between Barbieri and Oneal and Russett, see Goerner, *supra* note 26, at 600 (finding that “trade does not have an effect on conflict . . . [T]he results do not support the proposition that trade interdependence reduces conflict.”).

rent state of the debate, to have been incontrovertibly established. Rather, the debate remains a lively and unsettled one.⁴⁸

Indeed, some of the leading figures in the debate—especially those in the “liberal peace” tradition of thought—are now suggesting that while *markets* undoubtedly have an effect on the likelihood of international conflict, the focus should no longer be entirely, or even mainly, on *trade*. Thus, in his important 2007 article *The Capitalist Peace*, Eric Gartzke writes:

Of the factors emphasized by liberal political economists, trade has been by far the most closely evaluated in contemporary scholarship. . . . Yet, of the elements of global capitalism, trade is arguably the least important in terms of mitigating warfare. Classical political economists had yet to consider the strategic nature of conflict. . . . If trade makes one partner more pliant, it should allow other states to become more aggressive . . . , so that the overall decline in warfare is small or nonexistent. . . . Economic development, financial markets, and monetary policy coordination all arguably play a more critical role in promoting peace. . . . Much of the impact of free markets on peace will be missed if much of what comprises capitalism is omitted or ignored.⁴⁹

And even analysts who believe that *trade* has a special explanatory value in studying the causes of international armed conflict have suggested that future research be directed to the role of *preferential trading arrangements* (PTAs), such as free trade areas, common markets, and customs unions, rather than to trade *as such*. Thus, Mansfield’s and Pevehouse’s research found that:

For states that do not belong to the same PTA, the flow of trade has only a weak impact on hostilities. For PTA members, however, rising commerce strongly reduces the likelihood of military conflict. Furthermore, parties to the same PTA are less prone to engage in military disputes than other states, an influence that grows increasingly large as the flow of trade expands.⁵⁰

As Mansfield and Pevehouse note, their findings contradict not only the view that “international trade has little systematic impact on hostilities” but also “the unqualified claim that increased trade reduces the prospect of military disputes.”⁵¹ Instead, the effect of unfettered trade on peace “hinges

48. See, e.g., Kim & Rousseau, *supra* note 39, at 523–24 (summarizing state of debate). Note that these two researchers find that “the evidence strongly suggests that there is no pacifying effect of economic interdependence. . . . The results also indicate that the unconditional liberals who argue that international interdependence promotes peace are incorrect.” *Id.* at 538.

49. Eric Gartzke, *The Capitalist Peace*, 51 AM. J. POL. SCI. 166, 170 (2007) (citations and footnotes omitted).

50. Mansfield & Pevehouse, *supra* note 27, at 803.

51. *Id.*

largely on the institutional setting (or lack thereof) in which trade is conducted.”⁵²

The soundness or unsoundness of the “peace through trade” thesis does not, of course, decide the question whether Professor Bhala’s “counter-terrorism through trade” thesis is correct or incorrect. Nonetheless, it may help us to assess Bhala’s thesis more intelligently. First, our review certainly reveals that there is substantial evidence linking *some* forms of international trade with the reduction of conflict between nations. That should encourage us to expect that there may also be evidence that some forms of trade may also have quieting effects on transnational terrorism. On the other hand, despite its long and pedigreed past, the “peace through trade” thesis remains unproven, contested, and, in the view of some leading experts, over-simple. Moreover, one can credit *economic* or *financial* factors with a significant role in diminishing international conflict *without* attributing such an effect to trade. Those conclusions invite us to scrutinize Bhala’s thesis with a more skeptical eye.

II. THE “COUNTER-TERRORISM THROUGH TRADE” THESIS

Bhala’s theory about the linkage between trade and counter-terrorism, I suggest, is a variant of the traditional “peace through trade” thesis. Bhala is not alone in arguing that trade will prevent terrorism. Take, for example, the historian and financial analyst William Bernstein’s *A Splendid Exchange: How Trade Shaped the World* (2008). After briefly discussing the arguments for the traditional “peace through trade” theory, Bernstein says:

Today’s greatest threats to world security come not from conventional armies, but rather from terrorism based in the world’s failed states—precisely those parts of the globe that would benefit most from freer trade and a decrease in agricultural subsidies. To paraphrase Bastiat, if cotton, sugar, and rice can cross borders, then perhaps terrorists will not be able to.⁵³

But Bhala’s (and Bernstein’s) view differs from the more traditional theory in three, or perhaps four, main ways. First, Bhala’s theory appears to concern relationships between states *and non-state actors*, such as al Qaeda or Hamas, and not between states and other states. Second, Bhala believes that trade will tend to suppress *terrorism* rather than interstate war or militarized conflict. Third, Bhala’s thesis is limited to violent *Islamist* movements, rather than applying generally. And fourth, Bhala might be read as saying that a particular “*preferential trading arrangement*”—the Doha Round—will have pacifying effects, not that the growth of trade generally, even without such an institutional structure, would have. Despite these dif-

52. *Id.*

53. WILLIAM J. BERNSTEIN, *A SPLENDID EXCHANGE: HOW TRADE SHAPED THE WORLD* 376 (2008).

ferences, the kinship or affinity between Bhala's thesis and the traditional liberal theory of trade is obvious and substantial.

But what *exactly* is Bhala's thesis? Is it a solution in search of a problem? And if the problem that it seeks to solve remains a real one, is the solution valid? Of these questions, the most important and absorbing is the last because it raises the issue: *Does poverty cause terrorism?* In what follows, I will take up these questions in turn.

A. *What Exactly is Bhala Claiming?*

As she lay dying, Gertrude Stein is reported to have said, "What is the answer?" Then, as she expired, she said, "What is the question?" Before we can attempt to evaluate Bhala's thesis, we need to understand it better.

As stated, Bhala's thesis would seem to encompass all forms of Islamist violence. But at least four different kinds of radical Islamism need to be distinguished. First, there is *state-sponsored* radical Islamist violence, of the sort that Khomeini's Iran engaged in during the years immediately after the 1979 Iranian Revolution (and probably later) or that Ghaddafi's Libya practiced in incidents such as the 1988 attack on Pan Am Flight 103 over Lockerbie. Second, there is the kind of violence practiced by Islamist revolutionary movements such as Hamas in Palestine, Hezbollah in Lebanon, or Lashkar-e-Taiba in Pakistan and India. These groups either are, or resemble, *national liberation movements*. Their violence seems to have discernible political goals in view, such as the liberation of Kashmir or Palestine, and to be restricted to their own locale or region. Third, there is *transnational* terrorism, such as practiced by al Qaeda, which is targeted on "the far enemy" and is global in reach.⁵⁴ Finally, there is *domestic* or *home-grown* Islamist radicalism, such as might be found inside the United States, Great Britain, Spain, India, or elsewhere.⁵⁵ Of course the connections between these different types of violent actors may be close, as is the case with Iran and Hezbollah. But it is nonetheless analytically useful to distinguish them.

Is Professor Bhala claiming that all four forms of violent Islamist radicalism would be abated by the Doha Round, or that only some of them would be? I am uncertain, but I think that he probably would say that Doha's impact would be felt mainly by non-state, non-domestic movements—that is, by transnational terrorist networks like al Qaeda, and perhaps also by radical Islamist movements like Hamas and Hezbollah in the Middle East. (I can only conjecture whether he would extend the claim to local Islamist movements in—for example, the Philippines or Indonesia—although I suspect that he would.)⁵⁶

54. See FAWAZ A. GERGES, *THE FAR ENEMY: WHY JIHAD WENT GLOBAL* 119–51 (2009).

55. On Islamism in the West, see OLIVIER ROY, *GLOBALIZED ISLAM: THE SEARCH FOR A NEW UMMAH* (2004).

56. On Islamist terrorism in South Asia, see AYESHA JALAL, *PARTISANS OF ALLAH: JIHAD IN SOUTH ASIA* 239–301 (2008).

Furthermore, what exactly does Bhala mean by “trade”? Is his thesis that the *aggregate volume* of foreign trade will have counter-terrorist effects? Or that as foreign trade grows *as a proportion of a state’s gross domestic product*, terrorism will decline there? Or is the critical variable a certain *form* of trade—for example, trade conducted under preferential trading arrangement? Or something else? Saudi Arabia, with its large oil exports, is a significant player in world trade, at least by some measures: with a small population of just over 25,000,000, it carries on about \$16,000,000 in trade *per capita* each year, ranks twelfth in the world in export of merchandise (excluding intra-European Union trade), and contributes about 1.5% of the world’s total exports.⁵⁷ Moreover, the Saudis’ merchandise trade, as a percentage of the country’s gross domestic product, has been trending sharply upwards since the late 1990s.⁵⁸ What, if anything, should these facts lead us to expect about Islamist terrorism in Saudi Arabia or by those who live there?

Finally, is Bhala’s theory a micro-level one, concerned with individual motivations, or a macro-level one, dealing with relationships between different states? Depending on which question we ask, we are likely to discover different results.⁵⁹

B. *Is the Thesis a Solution in Search of a Problem?*

Only someone who was very imprudent would claim that the problem of violent Islamist radicalism has disappeared. Indeed, it may be that the “Arab Spring” will sweep into power an entire generation of Islamists in Egypt, Tunisia, Libya, Yemen, Syria, and elsewhere in the Arab world who are hostile to the West and support terrorism against it. One can hardly rule out a takeover of Pakistan by similar forces.⁶⁰ And only last August, one leading expert on terrorism warned that al Qaeda in the Arabian Peninsula (AQAP) is trying to produce the lethal poison ricin and pack it in small bombs for attacks on the U.S. homeland.⁶¹ But from our current perspective (autumn 2011), there is reason to believe that the most intense period of Islamist violence is in the past⁶² and that the forms of Islamism that are likely to be successful in democratic competition will be inimical to terrorism and pragmatic in their attitudes towards the West.

57. *Trade Profiles: Saudi Arabia, Kingdom of*, WORLD TRADE ORG. (Oct. 2011), <http://stat.wto.org/CountryProfile/WSDBCountryPFView.aspx?Language=E&Country=SA>.

58. *Id.*

59. The distinction between the two inquiries is emphasized in, for example, Jon Elster, *Motivations and Beliefs in Suicide Missions*, in *MAKING SENSE OF SUICIDE MISSIONS* 233, 244–45 (Diego Gambetta ed., 2006).

60. See JOHN R. SCHMIDT, *THE UNRAVELING: PAKISTAN IN THE AGE OF JIHAD* (2011).

61. See Bruce Riedel, *AQAP’s ‘Great Expectations’ for the Future*, COMBATING TERRORISM CENTER, (Aug. 1, 2011), <http://www.ctc.usma.edu/posts/aqap/>.

62. See, e.g., Richard Dearlove, *Violent Islamism Has Failed*, N.Y. TIMES, Nov. 4, 2011, <http://www.nytimes.com/2011/11/05/opinion/violent-islamism-has-failed.html?pagewanted=all>.

Consider what Professor Vali Nasr says in his important book on the rise of the new Muslim middle class, *Forces of Fortune* (2009):

The great irony of the fundamentalist threat is that the two years from 1979 to 1981 in which Islamic fundamentalism shook the world and terrified the West were also its high point of power. That is not to say, of course, that after fundamentalism won Iran, turned Pakistan, and destabilized Egypt it just died out; fundamentalists are too vocal, active, well-organized, and well-funded for that. Fundamentalism most definitely remains a worry, and its extremist edge a serious threat. Extremism that has been festering in the innards of Pakistan's society is surging, laying claim to vast swaths of its territory, and those extremist forces are waging a two-pronged war against not only foreign troops but the governments of both Afghanistan and Pakistan. The thought of nuclear-armed Pakistan, with its 175-million-plus population—deeply divided along ethnic lines, and with a troubled economy and weak government—unraveling before the extremist onslaught is unnerving to say the least. A failed Pakistan in the clutches of extremism or plunged into civil war, and with no safeguards locking down its nuclear arsenal, would be deeply destabilizing for the region and the world.

The larger truth about fundamentalism's drive to power, though, is that since 1980 it has toppled no more dominoes. . . . The West must remain vigilant against fundamentalism, but that should not stop Western policymakers and publics from seeing the "whole picture" in the Middle East, and a vital truth of the region is that the fundamentalist strain of Islam is not practiced by the vast majority of the population, and is *not* on the rise.⁶³

Nasr wrote before the Arab Spring, but his essential conclusions seem to remain true.⁶⁴ Thus far at least, there are few signs that the majority of the Egyptian, Tunisian, Libyan, or other Arab populations are turning to radical fundamentalism or finding hope in redemptive violence. If anything, the Arab revolutions seem aimed against corrupt governments that engorge

63. VALI NASR, *FORCES OF FORTUNE: THE RISE OF THE NEW MUSLIM MIDDLE CLASS AND WHAT IT WILL MEAN FOR OUR WORLD* 10 (2009).

64. Analyses published since Nasr wrote underscore the rise of entrepreneurialism and other capitalist virtues in the Middle East. *See, e.g.*, THE SILATECH INDEX: VOICES OF YOUNG ARABS 16 (2010), available at <http://sas-origin.onstreammedia.com/origin/gallupinc/media/poll/pdf/Silatech.Report.2010.Nov.pdf> ("The Arab world is unique in having a relatively high proportion of young people expressing the desire to start a business. While only 4% of young people in North America or Europe say they plan to launch a business in the next year, 15% of young Arabs have this ambition. . . . Entrepreneurial inclinations . . . are especially prevalent in middle-income countries where 57% of young people say they plan to start a business in the next year."); *id.* at 44 ("Across the region, 67% of young Arabs aged 15 to 29 hold a favorable opinion of entrepreneurs. Among aspiring entrepreneurs, 70% say the same.").

their nations' wealth,⁶⁵ deny basic liberties or rig elections,⁶⁶ and have done nothing to raise their peoples from poverty.⁶⁷ Observers detect little popular enthusiasm for al Qaeda or what it represents; if anything, the Arab Spring can be seen as an *alternative* to al Qaeda's program of apocalyptic *jihadist* violence, mass terror, and a revived caliphate.⁶⁸ Although "bin Laden's long-sought revolutions in the Arab world are finally happening, [giving] al Qaeda a rare opportunity to start building Islamic states," the revolutions have belied al Qaeda's expectations "by empowering not jihadists but Islamist parliamentarians."⁶⁹ Many of these oppose one-party government and favor honest elections. The former Egyptian jihadist Mohammed Abdel Rahman, son of the so-called "blind sheik" Omar Rahman, the organizer of the 1993 bombing of the World Trade Center and a founder of al Qaeda, is a case in point. Speaking recently in Cairo's Tahrir Square, Rahman said: "My vision hasn't changed, but the political agenda has. Egypt now has become a free and democratic country, so I would advise young people to engage in political activities rather than taking up arms—everything has changed."⁷⁰

That there will be a pronounced "Islamist" turn to the Arab revolutions is likely, though not certain. The first elections of the Arab Spring, held last October in Tunisia, gave a plurality of the votes to Ennahda, usually characterized as a "moderate" and "progressive" Islamist party, which quickly entered into negotiations with more "liberal" parties to form a government.⁷¹ Polling in Egypt—by far the most important of the post-revolutionary Arab states—showed a majority (51.6% versus 41.4%) favoring a civil demo-

65. See Julie Ray & Richard Burkholder, *Yemenis See Widespread Corruption in Government: About One in Three Say Government Doing Enough to Fight Graft*, GALLUP, June 9, 2011, <http://www.gallup.com/poll/147980/yemenis-widespread-corruption-government.aspx>.

66. See Mohamed Younis, *Before Uprising, Egyptians Lacked Faith in Honesty of Elections*, GALLUP, Feb. 24, 2011, <http://www.gallup.com/poll/146309/uprising-egyptians-lacked-faith-honesty-elections.aspx>; Bryant Ott & Mohamed Younis, *Egyptians Optimistic Post-Revolution: Post-Revolution Survey Reveals Areas in Need of Attention*, GALLUP, June 6, 2011, <http://www.gallup.com/poll/147938/egyptians-optimistic-post-revolution.aspx>.

67. See Julie Ray, *Before Conflict, Many Young Libyans Doubted Role in Progress: Libya's Youth Less Sure Than Young People in Other Middle-Income Arab Countries*, GALLUP, Mar. 21, 2011, <http://www.gallup.com/poll/146726/conflict-young-libyans-doubted-role-progress.aspx>.

68. This is not to deny the powerful hold of the idea of the caliphate on many Muslims. See FAISAL DEVI, *THE TERRORIST IN SEARCH OF HUMANITY: MILITANT ISLAM AND GLOBAL POLITICS* 97–104 (2008).

69. William McCants, *Al Qaeda's Challenge: The Jihadists' War with Islamist Democrats*, 90 FOREIGN AFF., Sept./Oct. 2011, at 20, 21.

70. Doug Saunders, *Al-Qaeda's Zealots of Yesteryear Turning to Politics, Democracy*, GLOBE & MAIL, Sept. 9, 2011, <http://www.theglobeandmail.com/news/opinions/opinion/al-qaedas-zealots-of-yesteryear-turning-to-politics-democracy/article2159810/> (quoting Omar Rahman).

71. See David D. Kirkpatrick, *Moderate Islamist Party Heads Toward Victory in Tunisia*, N.Y. TIMES, Oct. 24, 2011, <http://www.nytimes.com/2011/10/25/world/africa/ennahda-moderate-islamic-party-makes-strong-showing-in-tunisia-vote.html?pagewanted=all>.

cratic state over an Islamic state.⁷² Moreover, given the continuing influence and prestige of the Army in Egyptian affairs, even if Islamist parties win electoral victories, Egypt may ultimately become “a new Pharaonic state in an Islamic garb.”⁷³

Furthermore, proponents of an Islamic state come in different varieties, from the more pragmatic to the more radical. Even assuming that Islamism of one kind or the other will dominate future political debates in Egypt and Tunisia, an intra-Islamist debate (between, say, Egyptian Salafists and the Muslim Brotherhood) may sideline violent jihadists no less than secularists and liberals. For many Islamists (including some in the Muslim Brotherhood), Turkey, not Iran, is the model to be adopted. Not President Ahmadinejad’s Iran (let alone bin Laden’s al Qaeda), but Turkish Prime Minister Erdogan’s Justice and Development Party may therefore be the paradigm for the Islamist governments of the post-revolutionary Arab world.⁷⁴ Islamism may find a middle way between secularism (or, in more local terms, “Kemalism”⁷⁵) and violent, radical fundamentalism. The Arab Spring does not, thus far, seem likely to *reverse* the transformation that Vali Nasr sees occurring in the Arab and Muslim worlds through the “energetic blending of Islamic piety and capitalist fervor.”⁷⁶ As some analysts have argued, Islamist parties may (for pragmatic reasons) place the emphasis less on Islamizing the legal system than on “good governance and the fight

72. See Abdel Monem Said Aly, *The Paradox of the Egyptian Revolution*, 55 MIDDLE E. BRIEF 1, 6 (2006), available at <http://www.brandeis.edu/crown/publications/meb/MEB55.pdf>. Altogether 7.4% favor a strong Egyptian state even if it is not democratic.

73. *Id.*

74. See Anthony Shadid & David D. Kirkpatrick, *Activists in Arab World Vie to Define Islamic State*, N.Y. TIMES, Sept. 29, 2001, <http://www.nytimes.com/2011/09/30/world/middleeast/arab-debate-pits-islamists-against-themselves.html?pagewanted=all>; see also Aly, *supra* note 72, at 6 (“More likely than not, Egypt’s future lies somewhere between the Turkish and Iranian models.”). For more pessimistic views of an Islamist ascendancy, see Benny Morris, *Arab Spring or Islamist Surge?*, NAT’L INT., Nov. 3, 2011, <http://nationalinterest.org/commentary/arab-spring-or-islamist-surge-6108>; Richard N. Haass, *The Arab Spring Has Given Way to a Long, Hot Summer*, FIN. TIMES, July 6, 2011, <http://www.cfr.org/middle-east/arab-spring-has-given-way-long-hot-summer/p25426#> (seeing “a series of developments that are beginning to produce a region that is less tolerant, less prosperous, and less stable than what existed”); Ray Takeyh, *U.S. Must Take Sides to Keep the Arab Spring from Islamist Takeover*, WASH. POST, Mar. 23, 2011, http://www.washingtonpost.com/opinions/us-must-take-sides-to-keep-the-arab-spring-from-islamist-takeover/2011/03/23/ABNhI2KB_story.html (“The ideology of Islamist associations is predicated on the notion that religion is a comprehensive belief system that is both eternal and transnational. The moderation that these groups have exhibited in the past few decades in places such as Egypt was pragmatism born out of compulsion, not some kind of intellectual evolution. Relieved of the constraints of Arab police states, they are free to advance their illiberal, anti-Western agendas.”).

75. On “Kemalism”—Turkey’s post-Ottoman secular nationalist ideology—see NIYAZI BERKES, *THE DEVELOPMENT OF SECULARISM IN TURKEY* 461–503 (1999).

76. NASR, *supra* note 63, at 11.

against corruption, a free-market economy and a pluralistic political system.”⁷⁷

The United States and the West might indeed *benefit* from having Islamist parties compete for votes. If successful, Islamists “might present themselves as the West’s most effective allies against its most dangerous foes: armed jihadists, whom they have the religious legitimacy to contain and, if necessary, cripple; and Iran, whose appeal to the Arab street they can counteract by . . . presenting a less aggressive, more attractive, and indigenous Islamic model.”⁷⁸ Alternatively, participation in an open, competitive electoral process might reveal that some Islamist groups simply lacked an attractive political program.⁷⁹

Al Qaeda’s new leader, the Egyptian Ayman al-Zawahiri, himself expressed forebodings about the future course of the Egyptian revolution in a recent six-part message to the Egyptian people.⁸⁰ The fourth of Zawahiri’s messages in particular (dated March 3, 2011) sounded the alarm that the United States would work with well-disposed local forces in Egypt to win elections and install a government with which the West could deal.⁸¹ But even an Egyptian movement sympathetic to Zawahiri’s radical viewpoint, the Islamist organization al-Gama al-Islamiyya (the “Islamic Group”) has foresworn violence and established a political party to compete in forth-

77. Hussein Agha & Robert Malley, *The Arab Counterrevolution*, N.Y. REV. BOOKS, Sept. 30, 2011, <http://www.nybooks.com/articles/archives/2011/sep/29/Arab-counterrevolution/?pagination=false>.

78. *Id.*

79. See Katerina Dalacoura, *The Brotherhood Will Soon Be Left Behind*, FIN. TIMES, Mar. 21, 2011, <http://www.ft.com/cms/s/0/481e3c6c-53f2-11e0-8bd7-00144feab49a.html#axzz1jxHvMTQx>.

80. See, e.g., Ayman al-Zawahiri, Message of Hope and Glad Tidings to Our People in Egypt, Episode 4, Statement released by al-Qaeda’s As-Sahab Media Foundation (Mar. 3, 2011), available at http://www.flashpoint-intel.com/images/documents/pdf/1210/flashpoint_zawahiri0211.pdf.

81. Zawahiri said:

[T]here are who want to reach the rule in Egypt through a deal with America in order to guarantee for her continuity in her interests and crimes, in return for a fake political life and false freedoms that revolve around the American orbit, and that would bring us back to the fake political life during the monarchic era. There are those who want to resolve Egypt’s problems by submitting to America and seeking her help, and those are turning a blind eye intentionally from the point that America is the root of the problem.

The free and honorable ones in Egypt must realize the nature of the struggle and that the local enemies are but agents for the external enemies, and that political freedom cannot be achieved away from freeing humans from polytheism and dependency on the foreign invaders, and it cannot be achieved except by removing the occupying forces from Egypt and the Arabian Peninsula, and Afghanistan, Iraq, Palestine and the rest of the Muslim homelands. And it cannot be achieved except by fair distribution of wealth so food is not stolen from the mouth of the poor to be added to the accounts of the thieves outside Egypt.

They must realize that so the fruits of their outrage are not stolen and the gains of their uprising taken.

Id.

coming elections.⁸² Al Qaeda seems unable to prevent the emergence of some form of parliamentary democracy in Egypt.

Finally, does the threat of transnational terrorism posed by al Qaeda remain a serious one? In his recent, richly documented book *The Rise and Fall of al-Qaeda* (2011), Fawaz Gerges of the London School of Economics argues powerfully that al Qaeda is a spent force. Gerges argues:

So what remains of al-Qaeda? Very little. Today it is composed of roving bands limited to the mountains and valleys of Pakistan tribal areas along the Afghan border (where bin Laden was assumed to be hiding), remote areas in Yemen along the Saudi border, and the wastes of the African Sahara and the Maghreb. Its actions show a consistent pattern of ineptitude. Its leadership relies, increasingly, on inexperienced freelancers or unskilled recruits. . . . American and Western intelligence agencies now believe that there are somewhere around 300 surviving members of al-Qaeda, based mainly in Pakistan and Afghanistan, into which the United States has poured nearly 100,000 troops. Most of al-Qaeda's skilled operatives and mid-level field lieutenants have been either killed or captured, depleting the ranks of seasoned fighters and effective managers, and depriving it of significant operational capability. Cooks, drivers, bodyguards, and foot soldiers now make up the bulk of al-Qaeda's membership. Al-Qaeda's centralized command and control has been dismantled and its top leaders have gone deeper and deeper underground, choosing personal safety over operational efficacy—even according to US intelligence. . . . Moreover, al-Qaeda faces a leadership crisis that could further diminish its capabilities. . . . In other words, the bin Laden group—as we might term the remnants—has lost the struggle for Muslim hearts and minds. In many countries, information about al-Qaeda suspects now comes from citizens, including family members, friends, and neighbors, not from surveillance and intelligence sources. This shift demonstrates a hardening of Muslim public sentiment against bin Laden's men, preaching of a transnational jihad centered on violence no longer resonates with ordinary Muslims, and their organization suffers from a grave crisis of legitimacy and authority.⁸³

Further, Gerges argues that both religious leaders and the mass publics of the Muslim world have turned against al Qaeda:

Bin Laden's transnational jihad and tactics have been de-legitimized from within the world of Islam—discredited and undermined by prominent religious scholars and clerics and former cohorts who jumped ship. Far from gaining traction, Muslims did not jump on bin Laden's and Zawahiri's bandwagon because they

82. See McCants, *supra* note 69, at 31–32.

83. FAWAZ A. GERGES, *THE RISE AND FALL OF AL-QAEDA* 5–16 (2011).

view it as aimless and pointless, devoid of a clear roadmap. For millions of Arabs and Muslims who revolted against dismal social conditions and oppression in early 2011, al-Qaeda has nothing concrete to offer them—no socioeconomic blueprint or political vision to the complex challenges and threats facing their societies.⁸⁴

While other analysts differ with Gerges (an expert of the stature of Michael Scheuer has forecast a new age of *jihād* under al-Zawahiri),⁸⁵ it is apparent that al Qaeda and its affiliates have suffered huge setbacks since 9/11, including such spectacular reversals as the killing of Osama bin Laden last May and, more recently, the killing of U.S. born Anwar al-Awlaki. Bin Laden's death has cost al Qaeda dearly: the movement lost a charismatic, media-savvy leader of world-wide reputation, who had an extensive network of personal and family connections in Saudi Arabia, Pakistan, and Afghanistan, and who remained until the end al Qaeda's commander-in-chief in charge of the operations of al Qaeda and its franchises. Further, the information that the U.S. acquired from its raid on bin Laden's compound may have exposed al Qaeda's command structure, thus putting al Qaeda's leadership at increasing risk.⁸⁶ While no one can safely proclaim that the "war on terror" is over, the United States seems to have scored major victories against its leading antagonist in the conflict against transnational Islamist terrorism. Certainly the terrorist threat to the United States and its allies seems far less compelling a decade after 9/11 than it did at that time.

In sum, although the danger of Islamist terrorism remains, in current conditions it is questionable whether that risk is grave enough to warrant, in itself, the adoption of the Doha Round. Bhala has not offered a solution in search of a problem; but the problem to which his solution is addressed seems less fearful than it did a decade ago.

C. Does Poverty Cause Terrorism?

Finally, I come to Bhala's core claim: that by reducing poverty, the Doha Round could or would also have reduced terrorism (or some forms of it).⁸⁷ Although Bhala considers this claim to be effectively a matter of "common sense,"⁸⁸ it is not. Rather, it has been criticized extensively, even devastatingly, from several different scholarly points of view. It has little to

84. *Id.* at 198–99; *see also id.* at 113–16 (analyzing polling data reflecting growing opposition to *jihādism* and terrorism in Muslim world).

85. *See* Michael Scheuer, *The Zawahiri Era*, NAT'L INT., Sept./Oct. 2011, at 18, 18.

86. *See* McCants, *supra* note 69, at 30.

87. Note that trade might abate terrorism in ways *other than* by reducing poverty. For example, growing trade between the Western and Islamic worlds might create greater interdependency and friendship between the two, inducing Muslim governments that valued the trade to take more effective counter-terrorist measures. That might perhaps happen even if the effect of trade on poverty levels in the Muslim world was not large.

88. Bhala, *supra* note 2, at 21.

no empirical support, and there is substantial empirical evidence to question or deny it. Furthermore, even if the social science findings to date have (often, unavoidable) shortcomings, they are the best objective evidence we have, and they reflect a widespread consensus across different disciplines.⁸⁹ The burden of proving an empirical linkage between poverty and terrorism is on those, like Bhala, who *advocate* Doha on the basis of its purported counter-terrorist effects, not on those who question the thesis; and the champions of the thesis have not met their burden.

To begin with, let me refer again to Vali Nasr's *Forces of Fortune*. Raising the question of the relationship between poverty and violence in the Muslim world, Nasr writes:

The route from poverty to extremism is surely not inevitable. The militia gunmen and suicide bombers carrying out extremist attacks are usually poor, but their leaders often come from a higher class, as was true with Ayatollah Khomeini, who was born into a family of landowners. Osama bin Laden and Ayman al-Zawahiri both grew up in affluence. A recent Gallup poll of the Muslim world found that extremists tend to be better educated, hold better jobs with higher responsibilities, and garner higher incomes than self-described moderates. Poverty and extremism are entangled in complex ways, and we cannot say that poverty alone accounts for extremism.⁹⁰

The leadership, and much or most of the rank-and-file, of al Qaeda simply do not fit the picture of desperate, impoverished, and uneducated revolutionaries.⁹¹ If anything, these terrorists seem far more like the "reactionary modernists" whom the historian Jeffrey Herf famously identified in leading roles in the Nazi movement: engineers, journalists, pilots, research scientists, lawyers, doctors, and other middle-class professionals who embraced modern technology but who sought to put it to ideologically bizarre and sinister ends.⁹² Or, to use a more contemporary analogy, in their heroic, voluntary sacrifices on behalf (as they see it) of suffering, globalized humanity, they are not unlike the dedicated middle-class doctors who staff

89. To say "Never Mind the Regressions" is really no answer to the problems. *Id.* at 20. As I hope to show, the social science findings taken as a whole are simply too consistent and substantial to be brushed away so casually.

90. Nasr, *supra* note 63, at 172.

91. See, e.g., FARHAD KHOSROKHAVAR, SUICIDE BOMBERS: ALLAH'S NEW MARTYRS 3 (David Macey trans., 2005) (2002) (The "subjectivity" of most al Qaeda members "is not that of marginalised or wretched individuals who have been excluded or rejected by society. They are often from the middle classes and have no major problems in integrating. In most cases, they are in fact much more integrated than the average citizen. . . . On the contrary, such terrorists are, in a way, products of our world.").

92. See JEFFREY HERF, REACTIONARY MODERNISM: TECHNOLOGY, CULTURE, AND POLITICS IN WEIMAR AND THE THIRD REICH 2-3, 12 (1986).

humanitarian organizations like *Médecins sans Frontières* or the trained legal professionals who work for NGOs like Amnesty International.⁹³

A case in point is Anwar al-Awlaki, the U.S.-born imam and cyber-jihadist who was targeted and killed in September by a CIA drone strike in Yemen.⁹⁴ Al-Awlaki's father Nasir al-Awlaki came to the United States in order to pursue a degree in agricultural economics, and his son Anwar was born in New Mexico in 1971. Nasir al-Awlaki later became Minister of Agriculture in his native Yemen and then President of the Sana'a University there. Anwar spent his teenage years in Yemen but returned to the United States in 1991 to obtain a degree in engineering at Colorado State University. He later obtained an M.A. in education in San Diego and registered as a doctoral student in human resource development at George Washington University in 2001. In his career as a journalist, inspirational leader, recruiter, and operational planner for AQAP, al-Awlaki used the latest social media and other communication technologies, including YouTube, Twitter, and Paltak, to reach large audiences both in the Muslim world and the West. He contributed to the slick AQAP online periodical *Inspire*, using that forum to attack moderate Islamic scholars. *Inspire*, which was addressed to young, English-speaking Muslims in the West, was edited and illustrated by 25-year old Samir Kahn, a Saudi-born U.S. citizen and computer programming specialist who grew up in New York City and who was killed in the same drone strike in which al-Awlaki died.⁹⁵ (Ibrahim Hassan Tali al-Siri,

93. For the surprising structural resemblances between transnational terrorists and humanitarians, see DEVJI, *supra* note 68, at 5–9.

94. For accounts of al-Awlaki background and activities, see Rohan Gunaratna, *Al-Qaeda After Awlaki*, NAT'L INT., Oct. 18, 2011, <http://nationalinterest.org/commentary/al-qaeda-after-awlaki-6026>; Christopher Heffelfinger, *Anwar al-Awlaqi: Profile of a Jihadist Radicalizer*, COMBATING TERRORISM CENTER. (Mar. 3, 2010), <http://www.ctc.usma.edu/posts/anwar-al-awlaqi-profile-of-a-jihadi-radicalizer>; Billo Roggio, *US-Born Cleric Awlaki 'Proud' to Have Taught al Qaeda Operatives*, LONG WAR J. (Apr. 27, 2010), http://www.longwarjournal.org/archives/2010/04/usborn_cleric_awlaki.php; Bill Roggio, *US Adds Anwar al-Awlaki to List of Designated Terrorists*, LONG WAR J. (July 16, 2010), http://www.longwarjournal.org/archives/2010/07/us_designates_anwar-print.php; Thomas Joscelyn, *Analysis: Anwar Awlaki's Message to Inspire Readers*, LONG WAR J. (Oct. 21, 2010), http://www.longwarjournal.org/archives/2010/10/analysis_anwar_awlak-print.php; Thomas Joscelyn, *Awlaki's Emails to Terror Plotter Show Operational Role*, LONG WAR J. (Mar. 2, 2011), http://www.longwarjournal.org/archives/2011/03/anwar_al_awlakis_ema.php; Thomas Joscelyn, *AQAP Confirms Anwar al-Awlaki Killed in US Drone Strike*, LONG WAR J. (Oct. 10, 2011), http://www.longwarjournal.org/archives/2011/10/al_qaeda_confirms_an.php; Hakim al-Massmari, Margaret Coker & Siobhan Gorman, *Drone Kills Top al Qaeda Figure*, WALL ST. J., Oct. 1, 2011, <http://online.wsj.com/article/SB10001424052970204138204576602301252340820.html>; Mark Mazzetti, Eric Schmitt & Robert F. Worth, *Two-Year Manhunt Led to Killing of Awlaki in Yemen*, N.Y. TIMES, Sept. 30, 2011, <http://www.nytimes.com/2011/10/01/world/middleeast/anwar-al-awlaki-is-killed-in-yemen.html?pagewanted=all>; *Anwar al-Awlaki killed in Yemen: Official Confirms Death in al-Jawf of dual Yemeni-American Citizen Accused by US of Spreading al-Qaeda's Message*, AL JAZEERA (Sept. 30, 2011), <http://www.aljazeera.com/news/middleeast/2011/09/201193083340115111.html>.

95. For a profile of Khan before he left the United States for Yemen in 2009, see Michael Moss & Souad Mekhennet, *An Internet Jihad Aims at U.S. Viewers*, N.Y. TIMES, Oct. 15, 2007, <http://www.nytimes.com/2007/10/15/us/15net.html?pagewanted=all>.

the sophisticated Saudi bomb-maker for AQAP who was mistakenly thought to have been killed in that strike, studied Chemistry at King Saud University.)⁹⁶ U.S. Army Major Nidal Hasan, who is accused of having killed twelve U.S. service members and a civilian at Fort Hood in November 2009, contacted al-Awlaki through the internet. Al-Awlaki allegedly provided him with a *fatwa* or legal ruling that permitted him to kill American servicemen.⁹⁷ Rajib Karim, the Bangladeshi-born computer expert employed by British Airways who was convicted by a British court last February on terrorism charges, corresponded with and received guidance from al-Awlaki using the most sophisticated encryption techniques that the British authorities had seen.

In short, al-Awlaki combined professional scientific training, mastery of modern communications and visual technology, and a violent, anti-liberal ideology in ways that were also highly characteristic of the earlier forms of reactionary modernism. The faces of contemporary *jihadism* aimed against the West are not those of the impoverished and uneducated but of figures like al-Awlaki, Kahn, al-Siri, Hasan, and Karim.⁹⁸

The prominence of educated, middle-class professionals in the leadership and ranks of *jihadist* movements should not be surprising. Studies of the question have repeatedly failed to show a significant empirical link between poverty and terrorism—the claim that Bhala, not his critics, has the burden of proving. The Princeton economist Alan B. Krueger has been at the forefront of those studies for over a decade. In his 2007 book *What Makes a Terrorist: Economics and the Roots of Terrorism*, Krueger summarizes the results of the extensive research that he, his colleagues, and others have done. He writes bluntly:

96. See Siobhan Gorman, *U.S. Targets Bomb Maker in Yemen for Terror Ties*, WALL ST. J., Nov. 1, 2011, <http://online.wsj.com/article/SB10001424052970204394804577010141334953180.html>.

97. In an interview with *Al Jazeera*, al-Awlaki denied issuing such a *fatwa*. See *Interview: Anwar al-Awlaki: Yemen-Based Religious Scholar Says He Supports Attempt to Blow Up a US-Bound Plane*, AL JAZEERA (Feb. 7, 2010), <http://english.aljazeera.net/focus/2010/02/2010271074776870>.

98. Lest it be thought that I am being unfairly selective in focusing on one highly visible, U.S.-born al Qaeda leader and those associated with him, let me refer to a study by the Norwegian terrorist expert Thomas Hegghammer of the socio-economic backgrounds of Saudi militants who crossed over into Iraq between 2003–05 to join the insurgency against the United States and other Allied forces. Based on his analysis of the biographies of 205 Saudi militants killed in Iraq, Hegghammer found that:

[a]lthough data on their socio-economic background are limited, it points to a very diverse group. Some were very poor, while others came from rich and privileged families. Information about their education level is also sparse, but indicates that many were highly educated: 14 of the 16 for whom we know the education level attended higher education, one even had a doctorate. We know the occupation of 26 individuals, which included 14 students, 3 private sector workers, 2 government clerks, 2 nurses, 2 police/military officers, a teacher, a car mechanic and a meteorologist.

See THOMAS HEGGHAMMER, SAUDI MILITANTS IN IRAQ: BACKGROUNDS AND RECRUITMENT PATTERNS 12 (2007), available at <http://www.ffi.no/no/Rapporter/06-03875.pdf>. These figures do not suggest that the slain Saudis were driven to support the Iraqi insurgency by their poverty.

Although there is a certain surface appeal to blaming economic circumstances and lack of education for terrorist acts, the evidence is nearly unanimous in rejecting either material deprivation or inadequate education as an important cause of support for terrorism or of participation in terrorist activities. The popular explanations for terrorism—poverty, lack of education, or the catchall “they hate our way of life and freedom”—simply have no systematic empirical basis. These explanations have been embraced almost entirely on faith, not scientific evidence.

While people who are unemployed or employed in low-paying jobs have a low cost of engaging in political and protest activities and may be angry because of their circumstances, the fact is that they typically do not lash out at the world. Half the world’s population lives on \$2.00 a day or less [citation omitted]. More than one billion people worldwide have a primary school education or less and some 785 million adults are illiterate [citations omitted]. If poverty and inadequate education were causes of terrorism, even minor ones, the world would be teeming with terrorists eager to destroy our way of life. . . .

Instead of being drawn from the ranks of the poor, numerous academic and government studies find that terrorists tend to be drawn from well-educated, middle-class or high-income families. Among those who have seriously and impartially studied the question, there is not much question that poverty has little to do with terrorism.⁹⁹

For example, Krueger cites a 2004 study by Marc Sageman, a forensic psychiatrist and former CIA case officer. Using unclassified data, Sageman examined the education and occupational backgrounds of al Qaeda members. He found that about thirty five percent of them were college educated and about forty five percent were drawn from skilled professions.¹⁰⁰ Likewise, research on Arab suicide bombers by University of Chicago Professor Robert Pape found that they emphatically did *not* fit the profile of social losers. On the contrary, both religious and secular Arab suicide bombers were much better educated and had higher incomes than members of their peer groups, were seldom unemployed or poor, and were typically drawn from the working or middle classes.¹⁰¹

99. ALAN B. KRUEGER, WHAT MAKES A TERRORIST: ECONOMICS AND THE ROOTS OF TERRORISM 2–3 (2007).

100. *Id.* at 43–44 (citing MARC SAGEMAN, UNDERSTANDING TERROR NETWORKS (2004)). Of course, education is at best a proxy for wealth or income, not a direct measure of it. And it is fair to question whether that proxy is a reliable one in the context of the Muslim or Arab worlds. See Bhala, *supra* note 2, at 21. But education has the virtue of being measurable in a way that wealth or income may not be; and it is implausible to assert that it has *no* value as a proxy.

101. See ROBERT A. PAPE, DYING TO WIN: THE STRATEGIC LOGIC OF SUICIDE TERRORISM 211–16 (2005). For assessments of Pape’s work, see David Cook, *A Critique of Robert Pape’s Dying to Win*, 30 J. STRATEGIC STUD. 243 (2007) (concluding that in general, Pape’s findings hold

It is true, of course, that desperately poor people with little prospect of advancement have low “opportunity costs” in turning to political violence; and this may even be truer if they are denied any chance of seeking improvement through peaceful, nonviolent means.¹⁰² But Bhala is wrong to think that this provides common sense support for the thesis that poverty causes terrorism.¹⁰³ As Krueger notes, terrorism is very unlike simple property crimes, such as theft. Terrorism (at least of the kind al Qaeda espouses) requires having broad opinions about the world (many of them of a fair degree of theological and political sophistication). Those who are desperately poor—unlike the middle-class—are unlikely to have the education, the leisure, the motivation, or the access to information needed for forming such opinions. Just as class correlates with voting—educated, middle-class citizens with some knowledge of and concern with political issues are more likely to vote than poorer citizens, even though the opportunity costs of voting are higher for them—so does terrorism. “Instead of asking who has a low salary or few opportunities,” Krueger suggests, “we should ask: Who holds strong political views and is confident enough to try to impose their extremist views by violent means?”¹⁰⁴

Krueger’s analysis is supported by researchers who find that the relationship between poverty and terrorism is an inverted “U”: the poor at the low end of the curve are too preoccupied with survival to practice terrorism, and the rich at the opposite end are reasonably content with the *status quo*, leaving those in the middle with the greatest unmet expectations and the most keenly felt grievances. To borrow a phrase from another context, there is “more murder in the middle.”¹⁰⁵

Moreover, the “market” for terrorism includes both a supply side—who offers to become a terrorist?—and a demand side—whom will terrorist groups recruit? Terrorist groups may be more likely to select volunteers with the education, training, and skills—like knowing how to fly a plane—

up well); Clark McCauley, *Review: The Politics of Suicide Terrorism*, 59 MIDDLE EAST J. 663, 663 (2005) (questioning both some of Pape’s data and his interpretations of them).

102. See Gary Becker, *Terrorism and Poverty: Any Connections?*, BECKER-POSNER BLOG (May 29, 2003), <http://www.becker-posner-blog.com/2005/05/terrorism-and-povertyany-connectionbecker.html>.

103. See Bhala, *supra* note 2, at 20–21.

104. KRUEGER, *supra* note 99, at 4.

105. See Darcy M.E. Noricks, *The Root Causes of Terrorism*, in SOCIAL SCIENCE FOR COUNTERTERRORISM: PUTTING THE PIECES TOGETHER 11, 29–30, 44 (Paul K. Davis & Kim Cragin eds., 2009) (reporting research results, and observing that “[t]here does appear to be an inverted ‘U’ relationship between terrorism and the factors of education and wealth, although that relationship might be contested in terms of measurement validity.”), available at http://www.rand.org/content/dam/rand/pubs/monographs/2009/RAND_MG849.pdf. Noricks also points out, that the data show that “although a large percentage of al Qaeda members have some college education, these same members are also largely unemployed or underemployed and not working in the field for which they were educated.” *Id.* at 51; see also Helen Fein, *More Murder in the Middle: Life Integrity Violations and Democracy in the World*, 17 HUM. RTS. Q. 170, 170 (1995) (measuring state repressiveness as democracy is extended).

needed to carry out complicated, high-value operations.¹⁰⁶ Or terrorist groups operating against a “far enemy” may choose volunteers who have the linguistic skills or cultural knowledge to enable them to pass for locals in the enemy’s territory. Again, we should be led to conclude that the link between poverty and terrorism, at least on the level of individuals, is slight or indirect.¹⁰⁷

Finally, suicide attacks are a form of terrorism. But if the desire for material gain motivated individuals to become terrorists, why should there be an excess of volunteers for suicide missions?¹⁰⁸ Furthermore, it is highly unlikely that the poor value their lives so little that they would regard suicide missions with less trepidation than the wealthier would. “[P]oor people find their lives as worth living as anyone else. That people adjust their aspirations to their circumstances so that they maintain a more or less constant level of satisfaction is a pretty well-established psychological finding.”¹⁰⁹

Krueger also examined the empirical data on the macro-level of *societies* as well as on the micro-level of *individuals*. Again, his findings do not support the claim that poverty causes terrorism. Of particular relevance here is Krueger’s conclusion as to the effect of international trade:

The volume of international trade (exports plus imports) seems to have little effect. A higher volume of trade is associated with a lower likelihood of a terrorist incident between a given pair of countries. However, the results were not always statistically significant and, most importantly, controlling for the distance between countries (because distance has a sizeable impact on the volume of trade) tends to neutralize the effect of trade on terrorism. Therefore, data on the effect of trade flows might be standing in for the distance between the countries.¹¹⁰

106. See Ethan Bueno de Mesquita, *The Quality of Terror*, 49 AM. J. POL. SCI. 515, 515–16, 523–24 (2005).

107. See KRUEGER, *supra* note 99, at 72–74 (discussing complications noted in de Mesquita, *supra* note 106, that the selection process for high-value terrorist operations poses for Krueger’s views). Subsequent study of these issues has led one team of researchers to find that the *quality* of terrorism (i.e., the value of its targets) may be increased by unemployment (because unemployment lowers the opportunity costs of educated, skilled, experienced volunteers to joining terrorist groups, and because such volunteers are more likely to be selected by terrorist groups and to be successful in attacking such targets). The study focuses on *local* (Palestinian on Israeli) terrorism. See Efraim Benmelech, Claude Berrebi & Esteban F. Klor, *Economic Conditions and the Quality of Suicide Terrorism* (Nat’l Bureau of Econ. Research, Working Paper No. 16320, 2010), *available at* <http://www.nber.org/papers/w16320.pdf>.

108. KRUEGER, *supra* note 99, at 3–4.

109. Elster, *supra* note 59, at 245.

110. KRUEGER, *supra* note 99, at 80. Another team of researchers finds that “[t]rade openness positively affects Islamist terrorism. . . . This suggests that Islamist attacks are in part a response to global economic participation.” Kristopher K. Robison, Edward M. Crenshaw & J. Craig Jenkins, *Ideologies of Violence: The Social Origins of Islamist and Leftist Transnational Terrorism*, 84 SOC. FORCES 2009, 2018 (2006). But the same researchers also found that trade loses its significance for Islamist terrorism “once government consumption is controlled.” *Id.* at 2022. In general, these researchers found that “urbanization and the growth of government consumption in

Krueger's conclusions are widely accepted by experts on terrorism. Reviewing his work in *The Wilson Quarterly*, Professor Walter Reich, an international relations theorist and terrorist expert at George Washington University, wrote that:

[t]he belief that poverty is a root cause of Islamist terrorism has been thoroughly discredited. Numerous studies of terrorism have debunked the notion. Islamist terrorists themselves, as well as those who live among them and know them well, have repeatedly attributed Islamist terrorism primarily to religious and ideological motivations and to the logic that—against America and the West—terrorism is used because it works.¹¹¹

Scholarly research since the publication of Krueger's book in 2007 accords with his findings. In a review of the literature as of 2010, UCLA Professor of Economics Michael D. Intriligator reported:

The source of terrorism is probably not poverty and ignorance, as is often alleged, but rather, in all likelihood, humiliation and retribution for past actions. . . . It should be noted that the terrorists of 9/11 were neither poor nor uneducated but rather middle class or rich and well educated. That is similarly true of other terrorists, including those in Europe, Asia, and Africa. Examining the common beliefs as to the underlying causes of terrorism, Berrebi (2009) finds that "if anything, those with higher educational attainment and higher living standards are more likely to participate in terrorist activity." As to why this might be the case, Krueger and Maleckova (2003) speculate that "well-educated individuals may participate disproportionately in terrorist groups if they think they will assume leadership positions if they succeed, or if they identify more strongly with the goals of the terrorist organization than less educated individuals, or if they live in a society where the relative pay advantages of well-educated individuals is greater for participation in terrorist organizations than in the legal sector."

Noricks (2009) investigates the validity of many of the alleged root causes of terrorism and finds the only factors "likely to be present, agreed by scholars to be important while present, and amenable to policy influence are grievances and mobilizing structures." As Friedman (2003) states, "The single most underappreciated force in international relations is humiliation." . . . According to Louise Richardson (2006), terrorists want "the three

combination with female labor force [participation] were uniquely relevant to Islamist attacks. This is reinforced by the . . . religious competition between Muslims and other religions." *Id.*

111. Walter Reich, *The Poverty Myth*, WILSON Q., Winter 2008, at 104, 104–05. Likewise, the noted terrorism expert Walter Laqueur cited Krueger's earlier work (among others) in concluding that there is no demonstrated correlation between terrorism and poverty. See Walter Laqueur, *The Terrorism to Come*, POL'Y REV., Aug. 1, 2004, at 49, 50–51, available at <http://www.hoover.org/publications/policy-review/article/7371>.

R's: revenge (for perceived injustices and humiliation), renown (the attention of the world), and reaction (disproportionate enough to perpetuate a sense of moral outrage).¹¹²

An exhaustive 2009 RAND Corporation study of social science research in a variety of disciplines on the "root causes" of terrorism is only somewhat more guarded. It states that although "there is decided disagreement on the importance of economic factors in the development of terrorism . . . [t]he majority opinion seems to be that poverty, at least, is not at all predictive of terrorism."¹¹³ And Stewart Patrick's 2011 book on failed states makes similar points. Patrick observes that there is little evidence "that poorer countries generate disproportionate numbers of terrorists. Growth rates in the Arab Middle East have been higher than in sub-Saharan Africa, which, despite its greater poverty, has experienced relatively little terrorism (albeit significant violence), even in Muslim-majority countries."¹¹⁴

Finally, let me note the opinions of military experts on counter-terrorism as well. The Combating Terrorism Center at West Point issued a 173-page report in September 2011 that carefully examined the conditions in Yemen that account for the successes of AQAP, perhaps the most dangerous of al Qaeda's local or regional franchises to American and other Western interests. The report reflected extensive fieldwork and interviews in Yemen. Analyzing the counter-terrorism effects of introducing major structural changes in Yemeni society, including those addressed to relieving poverty, the report found:

[A]s normative and even strategic ends, longer-term U.S. efforts to slow state collapse, help provide basic services and bolster the accountability of the Yemeni government are more than justified in Yemen. However, it remains less certain that structural reforms are a useful tool for reducing AQAP's capabilities to attack the West, which have not relied on large numbers of disaffected Yemenis. A correlation between economic deprivation and extremism must be established to justify such a policy from a counterterrorism perspective. In Yemen this has not been demonstrated. . . . [A]mbitious efforts to refashion Yemeni society misdiagnose the causes of [AQAP's] successes. Treating Yemen's very real maladies is a worthy political and humanitarian aim, but it will not diminish the threat posed by AQAP.¹¹⁵

112. Michael D. Intriligator, *The Economics of Terrorism*, 48 *ECON. INQUIRY* 1, 3 (2010).

113. See Noricks, *supra* note 105, at 27–28.

114. STEWART PATRICK, *WEAK LINKS: FRAGILE STATES, GLOBAL THREATS, AND INTERNATIONAL SECURITY* 92 (2011).

115. See COMBATING TERRORISM CENTER, *A FALSE FOUNDATION? AQAP, TRIBES AND UN-GOVERNED SPACES IN YEMEN* 149–50 (Gabriel Koehler-Derrick ed., 2011), <http://www.ctc.usma.edu/posts/a-false-foundation-aqap-tribes-and-ungoverned-spaces-in-yemen>.

In light of such broadly based and well-researched findings across a variety of disciplines, it seems unlikely that poverty causes, or is even positively correlated with, Islamist terrorism on the micro-level. Certainly the research does not *prove* such links between poverty and terrorism; and even if one responds that it does not *disprove* such links, it surely justifies us in questioning their putative existence or importance. Nor does the empirical research appear to support the claim that the expansion of trade between two countries in itself will reduce the incidence of terrorist attacks by nationals of one of those countries against targets within the boundaries of the other.

It seems to me, therefore, that Bhala is wrong to try to promote passage of the Doha Round by concentrating on the argument that it would make good counter-terrorism strategy. Even if robust causal or statistical linkages between poverty and terrorism, and between trade and counter-terrorism, were eventually shown to exist, compelling evidence for them has not, thus far, been produced. And there appears to be a powerful, cross-disciplinary consensus among the leading experts on the subject that the alleged linkages do *not* hold. As an argumentative strategy, “counter-terrorism through trade” is simply not a sound basis for defending a major foreign trade initiative.

Indeed, I would go further: grounding the case for the Doha Round on such an inadequate and unconvincing theory *weakens* the argument for adopting it. If the best that can be said for the Doha Round is that it is an effective method of counter-terrorism, then we have little reason to adopt it. The defense of Doha should be rooted instead in normative arguments and in considerations of efficiency. If the Doha Round would contribute to raising the Islamic world (or more generally the global South) out of poverty, that *in itself* is a cogent reason to endorse it. It is gratuitous, and very possibly wrong, to claim that the Doha Round could or would significantly reduce Islamist terrorism.

I am not denying that there may be correlations or even causal links between terrorism and various economic conditions.¹¹⁶ Indeed, I am inclined to accept Vali Nasr’s basic argument that the increasing *embourgeoisement* of the Muslim world will, over the course of several decades, transform and pacify it. More focused theories have held, with some empirical support, for example, that failed economic take-off induces

116. Noricks specifically allows for this possibility. See Noricks, *supra* note 105, at 45–46 fig. 2.1 (identifying “economic problems” such as “unemployment, poverty, stagnation and inadequate resources” as ways in which root causes “might be connected to one another” along “multiple possible contributing pathways”). Noricks’ overall conclusion is that “terrorism is most likely the result when all three ‘gateway’ conditions are present: facilitative norms about violence in general and terrorism specifically; grievances to serve as motivation; and mobilizing structures to provide the organization.” *Id.* at 45.

terrorism,¹¹⁷ that foreign direct investment might reduce terrorism,¹¹⁸ that terrorists are motivated by fear of falling out of the ranks of the middle class,¹¹⁹ or that relative economic deprivation, especially under autocratic regimes, may be at work in causing terrorism.¹²⁰ Further, it would be remiss not to mention one social science study, Li and Schaub's 2004 article *Economic Globalization and Transnational Terrorism*, which found that to the extent that foreign direct investment and trade together promote economic development, they have an indirect negative effect on terrorism.¹²¹

Nonetheless, I think it is fair to say that the causal claims linking freer trade to a lower incidence of Islamist terrorism by way of the reduction of poverty, whether on the micro- or macro-level, are contested and unproven. Explanations of terrorism that suggest that it might be linked in various ways to *economic underdevelopment* do not in themselves show that terrorism is caused by *poverty*, let alone that it will be lessened significantly by the growth of *trade*. The causal pathways leading to Islamist terrorism are surely circuitous and intricate and the relevant explanatory factors manifold. Even if the primary explanatory focus were placed on economic development, development cannot be equated either with the growth of trade or with the emergence of more symmetrical terms of trade: other elements of contemporary capitalism, including the rise of local capital markets, the penetration of global financial networks, and the quantity of foreign direct investment, will play crucial explanatory roles as well.¹²² Furthermore, political, constitutional, cultural, and religious factors are indispensable ingredients in any satisfactory causal explanation of terrorism, including one that included economic factors: unless the rule of law prevails, for example, foreign direct investment is likely to be limited. Finally, even assuming that major structural reforms in the economies of Islamic nations could be brought about by freer and less asymmetrical trade, and assuming further that those reforms could yield benefits in reducing terrorism, their impact on terrorism in the short or medium term (as the Combating Terrorism Center at West Point noted) is much less visible.

117. See Robert Looney, *Failed Economic Take-Offs and Terrorism in Pakistan: Conceptualizing a Proper Role for U.S. Assistance*, 44 *ASIAN SURV.* 771, 786–89 (2004); Jennifer Bremer & John D. Kasarda, *The Origins of Terror: Implications for U.S. Foreign Policy*, *MILKEN INST. REV.*, Dec. 2002, at 34, 35, available at http://www.milkeninstitute.org/publications/review/2002_12/34_48mr16.pdf.

118. See Robison, Crenshaw & Jenkins, *supra* note 110, at 2018.

119. See Stephen Holmes, *Al-Qaeda, September 11, 2001*, in *MAKING SENSE OF SUICIDE MISSIONS*, *supra* note 59, at 131, 143–44.

120. See Graham Bird, S. Brock Blomberg & Gregory D. Hess, *International Terrorism: Causes, Consequences and Cures*, 31 *WORLD ECON.* 255, 259–61 (2008).

121. Quan Li & Drew Schaub, *Economic Globalization and Transnational Terrorism: A Pooled Time Series Analysis*, 48 *J. CONFLICT RESOL.* 230, 232, 236–37, 254 (2004).

122. There is thus a parallel between the objections to the “peace through trade” thesis voiced by Gartzke, see *supra* text accompanying note 27, and the objection made here to the “counterterrorism through trade” thesis.

If the “counter-terrorism through trade” argument is ultimately unproven, what accounts for its popularity among political leaders, journalists, and others? Let me suggest four possible explanations.

First, the explanation might have to do with the political difficulties of building a domestic coalition to support freer trade: by claiming that the Doha Round makes for effective counter-terrorism (a cause of universal concern), Doha’s governmental proponents avoid having to attack the sugar beet industry, the cotton industry, or other powerful constituencies head-on.¹²³ The alacrity with which some of Doha’s leading advocates seized on a “counter-terrorism” rationale in the immediate aftermath of the 9/11 attacks lends credibility to this explanation.¹²⁴

A second possible explanation may be (as Krueger suggests) that by attributing Islamist terrorism to poverty, political leaders and Western publics are enabled to avoid addressing the genuine grievances of which the Islamists complain—notably, American foreign policy and military actions in the Middle East. If Islamist violence stems from poverty, there seems to be little need for searching reappraisal of, for example, the merits of the Palestinians’ case.¹²⁵

Third, critics of prevailing Western policies, no less than their defenders, are drawn to insist, that poverty causes extremism. By relying on that thesis, critics are enabled to develop a favored rhetorical strategy: that the wealthy nations of the world, especially the United States, are themselves squarely to blame for Islamist terrorism. By imposing discriminatory terms of trade on the Muslim world, the argument goes, the West perpetuates and deepens mass impoverishment there, thus breeding violent terrorism that returns to haunt it. This kind of reasoning seems to deny or overlook that cultural, social, or religious factors *internal to the Muslim world and its*

123. Appeals directed purely to the altruism of U.S. voters are unlikely to overcome the opposition to Doha from protectionist forces. Voters in liberal democracies are unlikely to act on behalf of foreign nationals, even desperately impoverished ones, to the disadvantage of domestic constituencies, unless those voters believe that such action will promote their own welfare at the same time. See Jack L. Goldsmith, *Liberal Democracy and Cosmopolitan Duty*, 55 STAN. L. REV. 1667, 1675–82 (2003).

124. Leading figures in the Bush Administration began making the counter-terrorism argument in the immediate aftermath of the 9/11 attacks. For example, in a speech delivered ten days before the opening of the World Trade Organization ministerial in Doha, then-U.S. Trade Representative Robert Zoellick argued that “[t]he events of September 11 have set the stage for our work. . . . By promoting the WTO’s agenda . . . these 142 nations can counter the revulsive destructionism of terrorism.” RAYMOND J. AHEARN, CONG. RESEARCH SERV., RS21657, U.S. TRADE POLICY AND CHANGING DOMESTIC AND FOREIGN PRIORITIES: A HISTORICAL OVERVIEW 5 (2003), available at <http://www.policyarchive.org/handle/10207/bitstreams/3813.pdf> (quoting Robert Zoellick).

125. See REZA ASLAN, BEYOND FUNDAMENTALISM: CONFRONTING RELIGIOUS EXTREMISM IN THE AGE OF GLOBALIZATION 55 (2010) (“There remains today no more potent symbol of injustice in the Muslim imagination than the suffering of Palestinians under Israeli occupation. . . . Palestine has become the sole source of pan-Islamic identity in the Muslim world, the universal symbol that . . . unites all Muslims, regardless of race, nationality, class, or piety, into . . . a single community.”).

traditions are likely to be significant causes of terrorism. By locating the causes of terrorism and the other pathologies of the Muslim world in the practices of the West, the rhetoric depicts contemporary Islamist terrorists as the successors of an earlier generation of freedom fighters seeking to throw off Western colonialism. Seen more as victims than as agents, contemporary Islamist terrorists are presented as reacting to the unjust economic conditions imposed on them by a hostile or indifferent West. Interestingly, these critics' argument is the photographic negative of a certain kind of neo-conservative thinking, exemplified by Bernard Lewis' well-known book, *What Went Wrong? Islam and Modernity in the Middle East* (2002). Lewis views the Muslim world as an arrested and wounded civilization, trapped in its own traditional cultural patterns and religious beliefs, and incapable of adjusting to modernity without violence.¹²⁶ No less distorted is the picture that lays the blame for Islamist violence solely or primarily on the West's pursuit of its own enrichment.

For the fourth and final possible explanation, let me return to Charles Taylor's thoughts on the modern social imaginary. Perhaps it has simply become difficult for us to imagine any powerful motivations other than economic ones. We could easily grasp why young men and women would volunteer to kill, or even to die, if we could find some material gains in terrorism for them. But we find it harder to imagine that they are *truly* motivated by the desire for revenge or renown or to overcome humiliation and restore pride.¹²⁷ Still less may we find it possible to imagine that they are truly motivated by the fear, or love, of God. We are unwilling, in short, to take the terrorists' accounts of their motivations at their face value. To the extent that this is so, the modern social imaginary is obscuring the truth of things.¹²⁸

126. To be sure, scholars who do not write from an American neo-conservative perspective have reached similar conclusions about the Muslim world's relationship to modernity. *See, e.g.,* DAN DINER, *LOST IN THE SACRED: WHY THE MUSLIM WORLD STOOD STILL* (2009).

127. Ironically, it is economists like Krueger who have emphasized the importance of the non-economic motives at work here.

128. Of course, modern social science is not without the conceptual resources to show that religion can operate as an autonomous motive, rather than merely being an epiphenomenon produced by underlying economic causes. *See, e.g.,* CHARLES TAYLOR, *A SECULAR AGE* 212–20 (2007). Max Weber established that proposition definitively as against Karl Marx in *THE PROTESTANT ETHIC AND THE SPIRIT OF CAPITALISM* (Talcott Parsons trans., 1930). But Weber's insights have been neglected, not least in connection with the study of Islamist terrorism. *See* MARY HABECK, *KNOWING THE ENEMY: JIHADIST IDEOLOGY AND THE WAR ON TERROR* 7 (2006).