

**Economic Causes and Impacts of Terrorism after 9/11:
A Case Study of FATA and Khyber Pakhtunkhwa**
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Abstract

Terrorism has strong effects on the behavior of people and the main factor to disturb the social, political and economic life of the people. It also disturbs the government and their routine activities in the occupied region. After 9/11 attacks Pakistan joined the block formed in the war against terrorism like the United States of America (USA) and their allies. Pakistan gave much support to them against terrorist and insurgent groups in Afghanistan. Therefore, Pakistan faced difficulties and complexities, like death, destruction and other socio-political and economic impacts because of frontline ally in the anti-terrorist campaign. As per this research the many socio-political factors were the reasons which caused occupied FATA and KP in unrest situation. But the economic causes like unemployment, poor economic conditions, class discrimination and underdevelopment were the main reasons which played role to strengthen terrorism in FATA and KP. Economic factor is dependent cause of terrorism, it individually did not play its role while the other factors like political and socio-political factors provided sufficient environment to economically deprived community that's why non- state armed actors have footing in the said region.

Keywords: Afghanistan, economic, Pakistan, terrorism, socio-political, United States of America

Introduction

In contemporary world the scholars, intellectuals and experts mention the reasons of terrorism as: political, social and economic. Mostly the politically and economically deprived regions were hunted by terrorism in the world. As Kegely mentioned in "Root Cause Theory" that politically oppressed and economically deprived people prone towards terrorism and lead to violent behavior (Kegely, 2007). The deprivation of basic needs and rights, unemployment issues, poverty, economic dislocation, unequal distribution of wealth and unjust economic system results in creating a violent behavior against the executive authorities mean governments. As Aristotle argued "Poverty is the mother of crime and revolution". We see terrorism in the contemporary world grips in mostly the politically and economically deprived and poor countries like Africa and Asia. Therefore,

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the terrorism sparks itself where the governments do not provide food, shelter, employment, economic and political rights (Michael, 2007).

Terrorism in Pakistan has also socio, political and economic reasons. The socio and political deficiencies are the root causes of terrorism while the economic reason is dependent cause of terrorism in FATA and KP. But in Pakistan the economic cause is not the only reason of terrorism. In Pakistan other factors were also involved to encouraging terrorism in the country especially in FATA and KP that are discussed above (Ali and Li, 2016). The world majority intellectuals and scholars believe that economic deprivation or government's fragile policies contribute in terrorism, but it is not true. They mention the example of poor countries in Africa and other part of the world where we see the hype of terrorism and terrorist activities. Here same statement is again quoted that; it is not the only reason behind terrorism. Even in some regions economic factor is not involved at any stage in militancy, insurgency, extremism or terrorism. Sometimes ideological and other factors are also involved in these activities. Sometimes the other factors spark and support terrorism as primary source while economic reason play its role as secondary source. Same is the situation occurred in Pakistan.

Intellectuals, scholars and experts, majority had the view that economic factors are involved in terrorism in FATA and KP. But that was not the primary cause of terrorism while it strengthened terrorism in the regions. It had no role in the emergence of terrorism. Many scholars negated the view that Taliban emerged because of poverty and economic deprivation (Abaide, 2004; Neumann, 2005). They were of the opinion that emergence of Taliban force had other causes i.e. poor government policies, ill administration, foreign involvement, injustice, and other political and social reasons. After the emergence of Taliban economic factor played its role in strengthening Taliban in FATA and KP.

Economic Causes of Terrorism in FATA and KP

However economic poorness and dislocation is a factor behind terrorism in Pakistan especially in FATA and KP. Therefore, poor economic policies of government towards FATA and Khyber Pakhtunkhwa contributed in strengthening terrorism in the region. It did not play its role actively in the emergence of terrorism in FATA and Khyber Pakhtunkhwa, while it played its role to strengthen terrorism in the region. Economic deprivation is a dependent factor in this problem of FATA and KP. It depends on other factors like political and socio-political determinant. The fragile political and socio-political policies stood as reason for terrorism. These kinds of government poor policies provided a vacuum to the people of FATA and KP. Further that vacuum filled by economically deprived people of FATA and KP. The masses of that underdeveloped region (FATA & KP) were frustrated by the government fragile policies. Initially when the anti-state activities

were started, many people joined these groupings for different cause i.e. ideological reason, religious reason, revenges, personal tussles (tribe conflicts among each other) and gaining power etc. The people were also aware of the economic benefits of terrorism i.e. wages of handsome amount, the annexation of public private property, protection of illegal business, arms ammunition and drug dealings etc. Khalid Aziz mentioned in his report that above than 60% people said militancy improved the economic condition of the people. His quantitative research work also mentioned that above than 70% people agreed that unemployed youth joined those groups. But the class factor cannot be neglected as economic reason for terrorism in FATA and KP (Aziz, 2010). Professor Fakhar ul Islam (2016) discussed the class factor played very primary role in economic causes of terrorism. He further keeping the view that class discriminations and unjust treatment of people strengthens terrorism in the regions. Khalid Aziz also mentioned it in his research that 56% people believed that discrimination on class basis between rich and poor strengthened terrorism. Therefore, they joined those groupings, thus the economic reasons strengthen terrorism not created terrorism in FATA and KP. Terrorism in Pakistan and especially in FATA and Khyber Pakhtunkhwa has other economic causes like unemployment, underdevelopment, poverty, unjust economic system, unequal distribution of resources, poor economic policies and discriminations in the society on economic basis. Those all other factors were involved behind the economic deprivation and played their role as causes of terrorism (Haider, 2015).

Underdevelopment

Unemployment and underdevelopment are the heed problems of the region. FATA and PATA are considered to be the one of the most underdeveloped and backward areas of the county. The remoteness and isolation of FATA and PATA from the urban areas of the country, harsh local traditions, strict cultural norms, difficult topography, and unwise and poor government policies caused unsuitable conditions for investment in commerce, business and industry. Lack of suitable public sector attention and investment in associated infrastructure contributed to enormous illiteracy, underdevelopment and unemployment which offered a suitable atmosphere for the rise of extremism and terrorism in the regions (Aziz and Hegle, 2010). Once the militants initiated their activities, it was so easy for that militant groups to attract the illiterate people misguide them and use unemployed youth for their objectives and political ends. They mentioned that illegal radio stations increased Taliban's support and it made softness towards Taliban and their activities. A media expert Musa Khan (2015) stated that it was government and PEMRA's responsibility to keep check and balance on that kind of activities and broadcasting. Taliban started unauthorized broadcasting since 2005 in FATA and KP while government and PEMRA did not take any

action against any one of them. But when the situation became complicated and critical than government took actions against that illegal broadcasting (Khan, Afridi and Yousufi 2015). Therefore the underdevelopment in that sector was also a big contribution in emergence of anti-state behavior. The underdevelopment also helped rise terrorism in the region, as the militants were able to exploit the deprivations of the general population and promoted their plan without much interference or fear of state authorities. Majority number of experts said government's negligence in many sectors like unemployment, lack of positive awareness activities, lack of proper religious and educational institutions illegal broadcasting and unauthorized radios was a major contribution in anti-state activities and it supported Taliban's agenda. Inappropriate governance and lack of government interest in the regional development like industrialization, foreign or internal investment and lack of proper educational institutions provided vacuum to jobless youth and illiterate people to join Taliban.

Following table indicates literacy and infrastructural development which is needed most in FATA and KP (Nawaz and Borchgrave, 2009): (These indicators are not taken from the current survey because we are calculating causes of terrorism and militancy after 9/11).

Table No. 1 Underdevelopment in FATA and KP

Indicators	Pakistan	KP	FATA
Literacy Ratio in both Genders	43.92	35.41	17.42
Literacy in Male	54.81	51.39	29.51
Literacy in Female	32.02	18.82	3.00
Doctor for Population	1,226	4,916	7,670
Population per Bed in Hospital/Health Institutions	1,341	1,594	2,179
Roads (Per Square KM)	0.26	0.13	0.17

Source: Shuja Nawaz and Arnadu de Brochgrave. (2009). *FATA-A Most Dangerous Place: Metting the Challenge of Militancy and Terror in Federally Administered Tribal Areas of Pakistan*. Washington DC: Center for Strategic and International Studies.

Economic Deprivation and Terrorism: A Brief Discussion

Poverty, unemployment, economic injustice, class discriminations and gaining economic benefits to join Taliban were economic causes leading to terrorism in the regions. These were also other economic factors which played its role in strengthened terrorism in FATA and Khyber Pakhtunkhwa (Tribune, 2012). According to the survey report conducted by FATA Research Center, they said that more than 90% people agreed that poverty contributed in strengthening terrorism in FATA. This report also mentioned that 68% people of FATA see no economic improvement even after the problem (Mehsud, 2013). US institute conducted a survey; the research indicated six main reasons fueling terrorism in the contemporary world and

poverty is one of them. They also included Pakistan and mentioned that poverty is also a main driving force behind terrorism in Pakistan. The Pakistan Poverty Alleviation Fund (PPAF) also mentioned the same reason for strengthening terrorism in Pakistan. They said that financial weakness lead to improper growth of society. The people who belong to financially weak society cannot fulfill their basic needs. They cannot invest even little amount on education, discipline and take care of their generation. Poverty also was a cause of injustice and unequal treatment which further caused the class division in the society. The government's economic poorness and other socio, political poor policies cannot contribute to fulfill their political social and economic needs i.e. schooling, education, health and proper take care etc of the people and their generation (PPAF, 2016). Therefore when intra societal clash develop they lead to extreme disliking among the community. Further that space and vacuum was easily filled by the external elements. Same happened in FATA and KP, that poverty played active role to strengthening Taliban.

The following table shows different economic causes of terrorism. But according to researcher that is a sample of a small region but if we see it from specific to general or in broad aspect all over the region where terrorism took place, they had the same economic reasons which is mentioned below:

Table No. 2Relation between Economic Deprivation and Terrorism

Factors	Agree	Disagree	Don't Know
Economic Condition of the People Improved by Joining Taliban	63%	4%	33%
Unemployment Force Youth towards Taliban	75%	9%	16%
Class Discrimination Leading towards Taliban	56%	15%	29%
Class differences role in Fanning Taliban	45%	11%	44%

Source: Aziz. K. (2010). *SWAT: The Main Causes of the Breakdown of Governance and Rise of Militancy*. Peshawar: Regional Institute of Policy Research and Training.

The class discrimination, injustice in division of wealth and resources, the insensitivity of the landlords, *Maliks*, Khan and elite class towards the poor masses encouraged the people to join Taliban. To calm down the people of FATA and KP or every place where that kinds of problems happen, or where the government wants to prevent such situation, the government has to adopt some protective measures. Those protective measures contain creation of employment opportunities, to encourage foreign investment; installations of industries, better economic policies, to provide sources of regular income etc. The absence of these indicators turned the people to join terrorists' forces (Haq and Nargis, 2009). As mentioned in the above table that majority of youth joined Taliban groups because of

unemployment and poverty. Also, many of them (masses or public) joined terrorist groups because of scarcity of resources and assets. The experts also give the same reason that why the people joined these terrorist groups. They said when the people saw that the one who joined Taliban or terrorist organizations, improved their economic conditions and power. Some criminals protected their business of extortion, kidnapping, car and vehicle snatching, car lifting and other illegal business. Those all were the factors which paid the masses attention towards them (Taliban) and gradually they joined those organizations. The whole discussion gives the result that there was strong relation between economic marginality and terrorism in FATA and KP. That economic marginality or economic deprivations strengthened terrorist organizations in FATA, KP and in the whole country.

Economic Impacts of Terrorism in FATA and KP

Terrorism badly affected the economy of FATA and Khyber Pakhtunkhwa. The main economic sources of these regions are agriculture, livestock, tourism, forestry and other micro businesses. Former President Asif Ali Zardari said in a meeting held in president house that Pakistani economy is badly injured in war against terrorism. We need financial support from international community to minimize poverty, unemployment and investment in Pakistan. He also said that the rehabilitation of the areas like FATA and KP and to provide the basic needs for those people require billion of fund. Billions of lost in KP and FATA disturbed the people and their economic and social life as said by government authorities. The regions were also suffered from scarcity of budgets and many other IDPs problems, and still are suffering. The report said that in 2008-09 only the KP province needed \$ 2 billion to fulfill the needs of the people which a poor province cannot afford. The people of FATA and KP are mostly involved in agriculture and livestock business. The UN Food and Agriculture Organization (FAO) published a report that the crop of the people i.e. wheat, fruits and vegetable etc. damaged on high level while the one third of animals were lost during the conflict (Ibid). Pakistan has wealthy and enormous natural resources because of their climate, ecology and better environment. Therefore, the country has good potential to produce all kind of fruits, vegetables, crops and every agriculture product, while agriculture is a very great source for economy in the whole country. In Khyber Pakhtunkhwa and FATA majority of the people also are connected to agricultural sector (Naz, Daraz, Khan, Khan, & Khan, 2012). The Malakand division also got severely damaged in agriculture sector. According to report, agriculture sector lost round about Rs. 2,697 million. The following table shows losses in different sectors like building damages, agriculture, livestock etc. of KP (Malakand Division) during the terrorism and military operations.

Table No. 3 Economic Losses in different sectors of KP & PATA (2015)

S.No	Losses in Sectors	Losses
1	Schools Completely Damaged	Above 200
2	Schools Partially Damaged	Above 180
3	Tuorism Sector	Rs 9 Billion
4	Agriculture Sector	Above Rs 51 Billion
5	Livestock	Above Rs 62 Billion
6	Rehabilitation for other losses i.e. Hospitals, roads, properties, IDPs funds etc	Needed \$2 Billion

Source: Fakhr ul Islam. (2014). *Mutabadil Adalati Nizam aur Swat Operation*. Lahore: Pak Book Empire.

The other main factor of economic losses in KP was tourism. District Swat, Chitral and some parts of Upper Dir were famous as beautiful tourist parts. Due to the turbulence situation and terrorism the people feared to visit KP (Ali and Khan, 2010). President Swat Hotel Association Zahid Khan said, terrorism and military operations affected the tourist industry of Malakand division. Same in the FATA terrorism affected the economic life of people. It affected the agriculture sector, livestock, caused unemployment; it disturbed businesses, destroyed properties and many more. The research was conducted which shows the economic implication and damages of terrorism in FATA and KP. This is a survey conducted from the affected peoples, IDPs, and the people from the affected areas like FATA and KP. The research examined the losses of both genders (Male and Female) from FATA and KP (PATA). The following table shows the losses of jobs, property, crops, business etc. of the affected people.

Table No. 4 Economic Losses in FATA and PATA (KP)

S.No	Economic Losses	Percentage in Male (%)	Percentage in Female (%)
1	Loss of Jobs	25%	12%
2	Loss of Income	41%	45%
3	Loss of Property	61%	66%
4	Loss of Agriculture	72.6%	87%
5	Loss of Livestock	66%	81%
6	Loss of Business	29.5%	29%
7	Loss of Livelihood	17.8%	23%

Source: Syed Farhana Kazmi, Sadia Bano Abbasi, Asima Mehboob Khan and Rizwan Taj. (2015). Stressful Life Events among Internally displaced persons of KPK after Militancy. *Annually Pakistan Institute of Medical Sciences*. 11(1), 40-46.

In Malakand division KP and FATA, large numbers of property and buildings got damaged completely or partially due to terrorism. Terrorism not only damaged the property or buildings but it damaged people physiologically, socially and economically in shape of damages to their lives, houses, businesses, public private properties and other valuable assists. Not

only FATA and KP suffered from this war against terrorism but the whole country suffered a lot. Inflation ratio of Pakistan increased from 4.4 to 7.9 percent during 2001 to 2006. Trade deficit and losses also increased from \$4.3 billion in 2006 to \$8.62 in 2008. On other side the external debt also increased, the State Bank of Pakistan said, on 30, June 2003, it stood at \$32.46 billion, June 2004 (\$32.93 billion), June 2005 (\$35.83 billion), June 2006 (\$37.47 billion), June 2007 (\$40.48 billion), June 2008 (\$46.28 billion), and in the end of March 2009, it jumped to \$50.14 billion (Rabbi, 2012). Besides all these terrorist activities, military operations or war against terrorism which caused severe losses, it also indicated the flaws, weakness and failure in the political, social, and economic policies of the government; it resulted in hurting the people's emotions and cohesiveness of the state as well to the religion. Another big issue was the government failure to protect the people, their lives and property from external and internal enemies.

Conclusion

Three factors were involved to cause terrorism in the country. The political factor was the basic causes of terrorism. If those causes were not emerged the socio-political causes had no ability to take place. Its mean socio-political cause is dependent cause of terrorism. Economic cause is also a dependent cause of terrorism in FATA and KP. Economic cause of terrorism is dependent on both political and socio-political factors. The political and socio-political flaws created a vacuum to the people of economically deprived region FATA and KP. The poverty was the part of their economic and social problem before 9/11 but why poverty stood a cause of terrorism after 9/11 it is a question. The government political and some socio-political poor policies give chance to negative organizations and they used the economically deprived people against the state. It was easy to use the people who were politically neglected by the government and they were socio-politically against the government decisions. Who were economically discriminated in the society by unemployment, injustice, and class discrimination which path to the people to join those terrorists groups for economic benefits and power business.

The economic life of the people of the whole country particularly FATA and KP was also deeply injured. The Foreign Direct Investment (FDI) was suffered; stock exchanges were disturbed, fluctuation in businesses, and lack of confidence of external, internal and foreign investors were experienced. Agriculture, livestock, tourism and other businesses were strongly disturbed in FATA and KP. The ratio of unemployment, poverty, losses of jobs, deficiency in incomes, losses of lives and many other implications caused by terrorism in FATA and KP. The devaluation of currency, foreign adds, foreign loans, reconstruction of damaged public and

private properties and rehabilitation of affected people were other main problem for federal and provincial government.

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