In the wake of the terrorist attacks on September 11, 2001, policymakers, scholars, and ordinary citizens asked a key question: What would make people willing to give up their lives to wreak mass destruction in a foreign land? In short, what makes a terrorist?

A popular explanation was that economic deprivation and a lack of education caused people to adopt extreme views and turn to terrorism. For example, in July 2005, after the bombings of the London transit system, British Prime Minister Tony Blair said, “Ultimately what we now know, if we did not before, is that where there is extremism, fanaticism or acute and appalling forms of poverty in one continent, the consequences no longer stay fixed in that continent.” The Archbishop of Canterbury, Bill Clinton, Al Gore, King Abdullah of Jordan, Elie Wiesel, and terrorism experts like Jessica Stern of Harvard’s Kennedy School also argued that poverty or lack of education were significant causes of terrorism.

Even President George W. Bush, who was initially reluctant to associate terrorism with poverty after September 11, eventually argued, “We fight
Participation in terrorism is just a special application of the economics of occupational choice. Some people choose to become doctors or lawyers, and others pursue careers in terrorism. Economics can help us understand why.

The second answer is that, together with Jörn-Steffen Pischke, now at the London School of Economics, I studied the outbreak of hate crimes against foreigners in Germany in the early 1990s. Through this work, I concluded that poor economic conditions do not seem to motivate people to participate in hate crimes.

The modern literature on hate crimes began with a remarkable 1933 book by Arthur Raper titled *The Tragedy of Lynching*. Raper assembled data on the number of lynchings each year in the South and on the price of an acre’s yield of cotton. He calculated the correlation coefficient between the two series at −0.532. In other words, when the economy was doing well, the number of lynchings was lower. A pair of psychologists at Yale, Carl Hovland and Robert Sears, cited Raper’s work in 1940 to argue that deprivation leads to aggression. People take out their frustrations on others, the researchers hypothesized, when economic conditions are poor.

While this view seems intuitively plausible, the problem is that it lacks a strong
empirical basis. In 2001, Donald Green, Laurence McFalls, and Jennifer Smith published a paper that demolished the alleged connection between economic conditions and lynchings in Raper’s data.

Raper had the misfortune of stopping his analysis in 1929. After the Great Depression hit, the price of cotton plummeted and economic conditions deteriorated, yet lynchings continued to fall. The correlation disappeared altogether when more years of data were added.

In 1997, Pischke and I, writing in the Journal of Human Resources, studied the incidence of crimes against foreigners across the 543 counties in Germany in 1992 and 1993. We found that the unemployment rate, the level of wages, wage growth, and average education were all unrelated to the incidence of crimes against foreigners.

With evidence from hate crimes as a background, next turn to terrorism. Terrorism does not occur in a vacuum. So to start, I considered evidence from public opinion polls, which can help identify the values and views of those in communities from which terrorism arises.

The Pew Research Center’s Global Attitudes Project conducted public opinion surveys in February 2004 in Jordan, Morocco, Pakistan, and Turkey, involving about 1,000 respondents in each country. One of the questions asked was, “What about suicide bombing carried out against Americans and other Westerners in Iraq? Do you personally believe that this is justifiable or not justifiable?” Pew kindly provided me with tabulations of these data by respondents’ personal characteristics.

The clear finding was that people with a higher level of education are in general more likely to say that suicide attacks against Westerners in Iraq are justified. I have also broken this pattern down by income level. There is no indication that people with higher incomes are less likely to say that suicide-bombing attacks are justified.

Another source of opinion data is the Palestinian Center for Policy and Survey Research, headquartered in Ramallah. The center collects data in the
West Bank and Gaza Strip. One question, asked in December 2001 of 1,300 adults, addressed attitudes toward armed attacks on Israeli targets. Options were “strongly support,” “support,” “oppose,” “strongly oppose,” or “no opinion.”

Support turned out to be stronger among those with a higher level of education. For example, while 26 percent of illiterates and 18 percent of those with only an elementary education opposed or strongly opposed armed attacks, the figure for those with a high school education was just 12 percent. The least supportive group turned out to be the unemployed, 74 percent of whom said they support or strongly back armed attacks. By comparison, the support level for merchants and professionals was 87 percent.

Related findings have been around for a long time. Daniel Lerner, a professor at MIT at the time, published a book in 1958 called *The Passing of Traditional Society* in which he collected and analyzed data on extremism in six Middle Eastern countries. He concluded that “the data obviate the conventional assumption that the extremists are simply the have-nots. Poverty prevails only among the apolitical masses.”

Finally, the Palestinian survey included questions about whether people were optimistic for the future. Responses suggested that, just before the outbreak of the second intifada, the Palestinian people believed that the economic situation was improving—a judgment consistent with the falling unemployment rate at the time. The intifada, then, did not appear to be following dashed expectations for future economic conditions.

Public opinion is one thing; actual participation in terrorism is another. There is striking anecdotal evidence from Nasra Hassan, a United Nations relief worker in the West Bank and Gaza Strip who described interviews with 250 militants and their associates who were involved in the Palestinian cause in the late 1990s. Hassan concluded that “none of them were uneducated, desperately poor, simple-minded, or depressed. Many were middle class and, unless they were fugitives, held paying jobs. Two were the sons of millionaires.”

Claude Berrebi, now of the RAND Corporation’s Institute for Civil Justice, wrote his dissertation at Princeton on the characteristics of Palestinians from the...
In the 1930s, Raper assembled data on the number of lynchings each year in the South and on the price of an acre’s yield of cotton. He found an inverse relationship: when the economy was doing well, the number of lynchings was lower. Raper’s work was influential, but it turned out to be flawed.

West Bank and Gaza Strip who were involved in terrorist activities. For example, he compared suicide bombers to the whole male population aged 16 to 50 and found that the suicide bombers were less than half as likely to come from families that were below the poverty line. In addition, almost 60 percent of the suicide bombers had more than a high school education, compared with less than 15 percent of the general population.

Jitka Malecková and I performed a similar study of militant members of Hezbollah, a multifaceted organization in Lebanon that has been labeled a terrorist organization by the U.S. State Department. We were able to obtain information on the biographies of 129 deceased shahids (martyrs) who had been honored in the group’s newsletter, “Al–Ahd.” We turned translations by Eli Hurvitz at Tel Aviv University into a dataset and then combined it with information on the Lebanese population from the 1996 Lebanese Ministry of Social Affairs Housing Survey of 120,000 people aged 15 to 38.

These deceased members of Hezbollah had a lower poverty rate than the Lebanese population: 28 percent versus 33 percent. And Hezbollah members were better educated: 47 percent had a secondary or higher education versus 38 percent of adult Lebanese.

This is also the case, apparently, with al-Qaeda. Marc Sageman, a forensic psychiatrist and former Central Intelligence Agency (CIA) case officer, has written a book titled Understanding Terror Networks. He found that a high
Among Palestinians, almost 60 percent of the suicide bombers had more than a high school education, compared with less than 15 percent of the general population.

proportion of members of al-Qaeda were college educated (close to 35 percent) and drawn from skilled professions (almost 45 percent). Research on members of the Israeli extremist group, Gush Emunim, that Malecková and I conducted, also pointed in the same direction. Perhaps most definitively, the Library of Congress produced a summary report for an advisory group to the CIA titled, "The Sociology and Psychology of Terrorism: Who Becomes a Terrorist and Why?" which also reached this conclusion—two years before 9/11.

Why are better educated, more advantaged individuals more likely than others to join terrorist groups? I think of terrorism as a market, with a supply side and a demand side. Individuals, either in small groups or on their own, supply their services to terrorist organizations.

On the supply side, the economics of crime suggests that people with low opportunity costs will become involved in terrorism. Their costs of involvement are lower—that is, they sacrifice less because their prospects of living a rich life are less. In other domains of life, it is those with few opportunities who are more likely to commit property crime and resort to suicide.

However, in the case of the supply of terrorists, while consideration of opportunity cost is not irrelevant, it is outweighed by other factors, such as a commitment to the goals of the terrorist organization and a desire to make a statement. Political involvement requires some understanding of the issues, and learning about those issues is a less costly endeavor for those who are better educated. I argue that better analogies than crime are voting and political protest. Indeed, better educated, employed people are more likely to vote.

On the demand side, terrorist organizations want to succeed. The costs of failure are high. So the organizations select more able participants—which again points to those who are better educated and better off economically.
One of the conclusions from the work of Laurence Iannaccone—whose paper, “The Market for Martyrs,” is supported by my own research—is that it is very difficult to effect change on the supply side. People who are willing to sacrifice themselves for a cause have diverse motivations. Some are motivated by nationalism, some by religious fanaticism, some by historical grievances, and so on. If we address one motivation and thus reduce one source on the supply side, there remain other motivations that will incite other people to terror.

That suggests to me that it makes sense to focus on the demand side, such as by degrading terrorist organizations’ financial and technical capabilities, and by vigorously protecting and promoting peaceful means of protest, so there is less demand for pursuing grievances through violent means. Policies intended to dampen the flow of people willing to join terrorist organizations, by contrast, strike me as less likely to succeed.

The evidence we have seen thus far does not foreclose the possibility that members of the elite become terrorists because they are outraged by the economic conditions of their countrymen. This is a more difficult hypothesis to test, but, it turns out, there is little empirical support for it.

To investigate the role of societal factors, I assembled data on the country of origin and target of hundreds of significant international terrorist attacks from 1997 to 2003, using information from the State Department. I found that many socioeconomic indicators—including illiteracy, infant mortality, and GDP per capita—are unrelated to whether people from one country become involved in terrorism. Indeed, if anything, measures of economic deprivation, at a country level, have the opposite effect from what the popular stereotype would predict: international terrorists are more likely to come from moderate-income countries than poor ones.

One set of factors that I examined did consistently raise the likelihood that people from a given country will participate in terrorism—namely, the suppression of civil liberties and political rights, including freedom of the press, the freedom to assemble, and democratic rights. Using data from the Freedom House Index, for example, I found that countries with low levels of civil liberties are more likely to be the countries of origin of the perpetrators of terrorist attacks. In addition, terrorists tend to attack nearby targets. Even international terrorism tends to be motivated by local concerns.
Additional support for these conclusions comes from research I conducted on the nationalities of foreign insurgents in Iraq. Specifically, I studied 311 combatants, representing 27 countries, who were captured in Iraq. Although the vast majority of insurgents are native Iraqis, motivated by domestic issues, foreigners are alleged to have been involved in several significant attacks. I looked at the characteristics of the countries insurgents came from, and, importantly, of the countries with no citizens captured in Iraq. It turned out that countries with a higher GDP per capita were actually more likely to have their citizens involved in the insurgency than were poorer countries.

Consistent with the work on international terrorist incidents, countries with fewer civil liberties and political rights were more likely to be the birthplaces of foreign insurgents. Distance also mattered, with most foreign insurgents coming from nearby nations. The model predicted that the largest number of insurgents—44 percent—would have emanated from Saudi Arabia, a nation not known for its protection of civil liberties but with a high GDP per capita.

The evidence suggests that terrorists care about influencing political outcomes. They are often motivated by geopolitical grievances. To understand who joins terrorist organizations, instead of asking who has a low salary and few opportunities, we should ask: Who holds strong political views and is confident enough to try to impose an extremist vision by violent means? Most terrorists are not so desperately poor that they have nothing to live for. Instead, they are people who care so fervently about a cause that they are willing to die for it.

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