

CREST Centre for Research and Evidence on Security Threats



Economic Influences on Radicalisation

FULL REPORT
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This report is one of a series exploring *Knowledge Management Across the Four Counter-Terrorism 'Ps'*. The project looks at areas of policy and practice that fall within the four pillars of CONTEST. For more information visit:

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KEY POINTS

1. Debate remains in virtually all areas of research about the relationship between economics and radicalisation. Studies assessing the relationship between levels of terrorism and socioeconomic measures of a country's wealth, such as Gross Domestic Product (GDP), are inconclusive. The same holds true for support for terrorism within economically disadvantaged populations.
2. Research has proposed an 'inverted U-model' which suggests terrorism is carried out by those in the middle of the socioeconomic curve rather than those at the lowest or highest ends. Those at the lower end of the income distribution are less likely to engage in terrorism because they are focused on meeting basic needs. Those with more significant economic resources are deterred from terrorism because they have more to lose. Importantly, these dynamics are relative to the country's level of development and the individual's relationship to the minimum resource threshold; those just above this threshold in developed countries will be lower class, those in less developed settings will be middle class.
3. Increased social welfare spending appears to correlate with a decrease in terrorism. Although the relationship between the two is complex, more funding for healthcare, unemployment benefits, and active labour market programmes seem to have the greatest impact in reducing terrorism.
4. Socioeconomic factors may help explain individual decisions to travel to Syria and Iraq to fight with the Islamic State, as many of those who travel from developed countries are from economically disadvantaged backgrounds.
5. Although the link between economic growth and terrorism is contested, terrorism does appear to share some relationship with economic cycles. Periods of economic weakness and contraction seem to marginally increase both the likelihood of terrorism and its persistence. Economic crises are also likely to be more keenly felt in developing countries, resulting in greater potential for violence.
6. Unemployment appears to be a significant factor in the decision to travel to Iraq or Syria. Foreign fighters are unemployed at a higher rate than the general population of the countries they originate from. In developed countries this can contribute to feelings of marginalisation.
7. Despite socioeconomic grievances being described as important factors in radicalisation processes, there is limited research about how individual-level economic circumstances impact attack intent and likelihood.
8. The loss of a job may create or increase the risk that an individual will come to support extremism or engage in an attack.
9. Grievances caused by unmet economic or employment expectations may exacerbate the risk of radicalisation.

This report initially aimed to review literature focusing on the link between economics and radicalisation that had been published from 2017 onwards. However, due to the limitations of this work, a much broader and more comprehensive body of research dating back to 2000 has been included.

The focus has primarily been on research on terrorism and political violence, rather than civil war and conflict. This report first explores research on general trends between terrorism and socioeconomic conditions before examining factors believed to mediate the relationship between the two at the individual level.

Despite its scope, the research has a number of limitations. Studies largely focus on factors that take place at the highest level of analysis (macro-level) such as the performance, structure, and behaviour of economies or countries. These highlight correlations rather than causes and provide less detail on the processes that explain how socioeconomic factors impact radicalisation and/or terrorism. Macro-level analyses cannot be used to identify factors relevant to assessing the likelihood that an individual will carry out an attack.

Most quantitative studies that analyse large samples and compare socioeconomic measures and rates of terrorism across different countries rely on data collected by others. Many prominent studies use the same datasets, increasing the potential for errors to be repeated. These datasets often rely on media and official reporting. Democratic and high-income countries with fewer restrictions on the press may therefore appear to experience greater levels of terrorism because they are more commonly reported. The majority of these datasets run up to the early 2000s, with only a few

going as far as 2011. Studies therefore largely predate recent global terrorism trends.

Existing studies often fail to disaggregate how socioeconomic factors impact the prevalence of different types of terrorism, limiting the conclusions that can be drawn. Finally, it is hard to account for factors other than economic performance – such as political dynamics, ethnic or religious tensions, and democratic or press freedom – that might also influence rates of terrorism. Studies vary in the extent to which they control for or discuss these factors in their analyses.

INTRODUCTION

*Socioeconomic measures such as GDP do not share a linear relationship with rates of terrorism. Most terrorists appear to come from the middle of the socioeconomic curve rather than those at the lowest or highest ends.*¹

The idea that terrorism can be countered by addressing economic deprivation is based on the understanding that there is a connection between economic deprivation and support for, and participation in, acts of extremist violence. Policies which seek to address radicalisation and violent extremism have focused on socioeconomic improvement, particularly in developing nations. However, the empirical evidence disputes the notion of a simple link between socioeconomic conditions and incidence of terrorism.

The relationship between terrorism and socioeconomic factors has primarily been analysed through quantitative studies using large datasets. Most compare the GDP of a country, or other socioeconomic metrics such as per capita income or rates of social-welfare spending, against annual rates of terrorist violence or attacks.

When interpreting this research, it is helpful to consider the level of analysis (individual, group, and state level), the measures that are used, the data sources that inform the study, and the methods by which the relationship is assessed.

GROSS DOMESTIC PRODUCT

Studies assessing the relationship between GDP and terrorism are inconclusive. One body of research has found that GDP negatively impacts rates of terrorist violence. This work suggests that, particularly among low- and middle-income countries, higher levels of GDP are associated with lower levels of terrorism. By contrast, a growing body of empirical literature either finds a negative correlation between economic prosperity and terrorism or finds no significant relationship between the two. This research includes several macro-level, cross-country studies that use GDP as a measure of economic prosperity.

¹ Humanitarian intervention policies have recently focused on alleviating poverty to counter extremist violence ([USAID, 2011](#); [UNDP, 2016](#); [United Nations General Assembly, 2016](#)). A number of studies suggest that GDP reduces terrorist violence ([Blomberg et al., 2004](#); [Enders & Hoover, 2012](#); [Freytag, et al., 2011](#)), although other work finds only a negative correlation or lack of significant relationship ([Krueger & Maleckova, 2003](#); [Abadie, 2006](#); [Krueger & Laitin, 2008](#); [Benmelech et al., 2012](#)). Research has found no ([Abadie, 2006](#)) or some evidence of a relationship between income inequality and terrorism ([Lai, 2007](#); [Derin-Güre, 2009](#)). Horizontal inequalities, however, have been shown to link to political violence ([Cederman et al., 2013](#); [Østby, 2013](#); [Piazza, 2011](#); [Ezcurra & Palacios, 2016](#)). Social welfare provision has received relatively little examination in the literature ([Burgoon, 2006](#); [Krieger & Meierrieks, 2010](#)). The factors impacting foreign fighter rates in Belgium are identified by [Verwimp \(2016\)](#). A growing body of work demonstrates the significance of the 'inverted U-model' for thinking about the relationship between socioeconomic factors and terrorism ([Lee, 2011](#); [O'Kane, 2012](#); [Jager, 2018](#)). The rates of support for violent extremism were analysed by [Vijaya et al. \(2018\)](#) and [Mousseau \(2011\)](#).

INEQUALITY

Another body of work proposes that it is income inequality – or the extent to which income is distributed unevenly amongst a population – rather than other socioeconomic factors, that increases terrorism. Terrorist organisations are believed to capitalise on the expanding gap between rich and poor by exploiting the grievances of more economically disadvantaged groups. However, a majority of studies find no relationship between income inequality and the prevalence of terrorist attacks within a country. Only a small number find some evidence that countries with higher levels of economic inequality are more likely to experience higher levels of terrorism.

Horizontal inequalities refer to differences between social groups, where one ethnic, religious or regional group is systematically marginalised economically and politically. While traditionally associated with an increased likelihood of civil war, horizontal inequalities have also been shown to result in a greater risk of various types of political violence. Studies suggest that economic discrimination towards minorities is an important predictor of terrorism and that economic inequality between subnational regions increases the likelihood that a state will experience domestic terrorism.

'INVERTED U-MODEL'

Some research has proposed an 'inverted U-model' whereby terrorism is carried out by those in the middle of the socioeconomic curve rather than those at the lowest or highest ends. Individuals must possess a certain degree of economic and personal resources to be politically active. Those without these resources are mainly concerned with meeting basic needs. The percentage of people who meet this threshold will vary by country; in less developed countries a high proportion of the population may not reach it, while in a more developed one the vast majority might.

At the other end of the socioeconomic curve, people have more to lose and are therefore less likely to engage in high-risk activism and violence. If extremists come from the group just above this threshold, they will be middle class in less developed countries, but lower class in richer countries.

SOCIAL WELFARE PROVISION

Terrorism appears to be less likely in countries with comprehensive social welfare systems, which are argued to mitigate the poor socioeconomic conditions that may otherwise lead to violence. Countries with more generous welfare spending can expect to suffer less terrorism on their soil, perpetrated by both transnational and other attackers, and to have fewer of their citizens engage in terrorism abroad. A one per cent increase in welfare spending is estimated to yield a 21 per cent reduction in terrorist incidents perpetrated by nationals overseas; decreasing total incidents of terrorism at home by 10.1 per cent and those carried out by transnational attackers by 4.5 per cent.

While all increases in welfare spending appear to correlate with a decrease in terrorism, a study of 15 Western European countries from 1980 to 2003 found higher social spending in certain fields (healthcare, unemployment benefits, and active labour market programmes that help individuals find and maintain jobs) is associated with a significant reduction in homegrown terrorism. Spending on other aspects of welfare, such as social housing, does not have the same impact in reducing terrorist incidents.

There is no significant effect of welfare spending or social policies on the number of imported transnational terrorist attacks, nor on the number of victims resulting from these attacks. Research on social welfare provision has focused on homegrown terrorism in Western Europe largely carried out by ethno-nationalist and left-wing groups before 2003. It is not understood if increasing social welfare provisions will discourage contemporary terrorism in the same way.

The relationship between social welfare spending and terrorism is complex and context specific. Belgium, for example, has a wide-ranging welfare system but also one of the highest per capita rates of people travelling to fight with the Islamic State (IS). However, comprehensive social welfare systems in Belgium and Scandinavia are balanced by a comparatively closed labour market that strongly protects those within it but makes entry for newcomers difficult.

While inequality between citizens may be low in these societies, the inequality found between 'native citizens' and immigrants/non-EU nationals is larger. Welfare

policies may therefore indirectly exacerbate the low labour market participation of immigrant populations that research has shown correlates with foreign fighter numbers.

SUPPORT FOR VIOLENT EXTREMISM

A study using the Pew 'Global Attitudes & Trends' survey to generate a sample of over 48,000 individuals across 12 countries found that lower socioeconomic

status was not associated with a higher likelihood of support for violent extremism. Surveys of almost 8,000 Muslims from 14 countries asked about attitudes towards their economic situation and their views of terrorism in defence of Islam. Approval of Islamist terrorism appears to be linked with urban but not rural poverty. This finding may be informed by the highly insecure conditions of larger cities in the developing world where migrants escaping rural poverty can struggle to find work and are forced to pledge loyalty to leaders of local extremist groups to meet basic needs.

SOCIOECONOMIC FACTORS AND FOREIGN FIGHTERS

Socioeconomic factors appear to help explain individuals' decision to travel to Syria and Iraq to fight with the Islamic State, with most being economically disadvantaged even in developed countries.

The backgrounds of foreign fighters who have travelled from European countries seem to provide some support for the 'inverted U-model' as many are from the lower end of the socioeconomic scale within developed countries. Studies of Dutch foreign fighters suggest between 67 and 69 per cent originate from lower socioeconomic backgrounds. This figure was 47 per cent for Belgian fighters. The majority of Italy's foreign fighters are also not thought to have enjoyed a high economic status.

Across Europe, foreign fighters come from economically deprived areas and often disadvantaged city neighbourhoods. A dataset of 267 people who travelled from to Syria or Iraq between June 2012 and September 2016 based on information gathered by the Swedish Security Service (SÄPO), reveals that 71 per cent had been residents of socially deprived areas with low socioeconomic status and high rates of crime. 82 per cent of Belgian foreign fighters lived in municipalities with a per capita income below the national average, and a little over a third originated from Belgium's 10 poorest towns.

By contrast, research interviewing foreign fighters in Iraq and Syria reveals that socioeconomic factors are not mentioned in their decision to travel. No respondents came from familial situations of poverty; most instead stated that they had happy, comfortable, or well-off childhoods. The idea that a 'lack of prospects' with respect to career prospects or their socioeconomic situation did not appear to be supported in the accounts given by foreign fighters. However, interviewees were not specifically asked about their socioeconomic situation before leaving for Syria, and it is possible that respondents felt the need to provide more meaningful or ideologically driven explanations for their decision to travel.

*Socioeconomic factors and foreign fighters*²

² Fighters originating from the Netherlands and Belgium ([Bakker & de Bont, 2016](#); [Bergema & van San, 2019](#)) and Italy ([Marone & Vidino, 2019](#)) are often from lower socioeconomic backgrounds. A number of studies find that these individuals predominantly hail from poor neighbourhoods (Verwimp, 2016; [Gustafsson & Ranstorp, 2017](#); [van Vlierden, 2016](#)). The qualitative interviews with IS fighters were undertaken by [Dawson & Amarasingam \(2017\)](#).

ECONOMIC GROWTH, DOWNTURNS, AND TERRORISM

*The relationship between terrorism and economic growth is contested. However, there is some evidence that economic cycles inform rates of terrorism. Fewer attacks occur during periods of growth, while violent campaigns are both more likely, and last longer, during downturns.*³

Compared to research on other socioeconomic dynamics, there is less work on the relationship between economic change and terrorism. The research that has been undertaken has produced inconclusive results. One body of work challenges the idea of a link between economic growth and terrorism. A study of 96 countries between 1986 and 2002 finds no statistically meaningful connection between the two. Analysis of 139 countries from 1985 to 1998 also found no empirical evidence that economic growth is associated with international terrorism.

However, another body of research maintains that economic growth is likely to reduce terrorist activity. A study of 110 countries from 1971 to 2007 found

economic growth led to a reduction in terrorist incidents. Research on 112 countries from 1975 to 1997 found that transnational terrorist incidents decrease as the economic development of a country and its main economic partners grows. Further research is needed to understand these dynamics.

Less research has specifically tested whether economic downturns have an adverse impact on levels of terrorism. Research looking at 130 countries from 1968 to 1991 highlights that globally lower economic growth correlates with higher rates of international terrorism. This work posits that terrorism appears to be related to economic cycles, and that periods of economic weakness and contraction increase the likelihood that terrorism will occur and that it will persist for a longer period of time. However, such findings must be interpreted cautiously. Overall rates do not mean that all countries or regions will reflect this trend; the global average may be driven up by a small number of areas that experience high levels of terrorism.

THE DIFFERENTIAL IMPACT OF INDUSTRIAL AND AGRICULTURAL GROWTH

A study looking at 127 countries from 1970 to 2007 disaggregated industrial and agricultural forms of economic growth and found:

- Domestic and international terrorist attacks are less likely in countries that experience higher levels of industrial rather than agricultural growth
- For every one per cent increase in industrial growth the incidence of both domestic and international terrorism reduces by one per cent
- By contrast, industrial growth increases the likelihood of suicide attacks: a one per cent increase in industrial growth saw a two per cent increase in suicide attacks.

Economic growth may create an environment where would-be terrorists are afforded greater opportunities and prospects for upward mobility. By contrast, populations reliant on agriculture for their livelihood are unlikely to benefit from growth, usually remaining both poor and rural.

³ A number of studies challenge the idea of a link between economic growth and terrorism ([Piazza, 2006](#); [Drakos & Gofas, 2006](#)), while others identify a significant correlation between the two ([Freytag et al., 2011](#); [Li & Schaub, 2004](#)). Blomberg et al. (2004) is one of the few studies to focus specifically on economic downturns. The importance of different forms of economic growth for predicting terrorism is identified by [Choi \(2015\)](#).

REGIONAL DISPARITIES IN THE IMPACT OF ECONOMIC CHANGE

*In general, the global trends identified in the literature between socioeconomic factors and terrorism hold across different regions. However, urban poverty and the effects of economic downturns may be felt more acutely in developing countries.*⁴

The relationship between terrorism and economic performance differs between high- and low-income countries. For democratic, high-income countries, economic contraction increases the likelihood of terrorism. The impact of banking crises is also mediated by levels of development.

Globally, the 2008 banking crisis led to a 54 per cent increase in domestic terrorism in the following five-year period. However, this effect is not felt evenly and impacts developing economies more heavily. In less developed countries, a banking crisis more than doubles the number of domestic terrorist incidents. By contrast, in advanced economies, banking crises do not lead to higher levels of terrorism. This may be because

the negative impacts of economic shocks are felt more dramatically by those in developing countries than in more resilient and diverse advanced economies.

WESTERN EUROPE

A study of 12 Western European states supports the idea that high economic growth, similar to other developed countries, is associated with a decrease in terrorist activities. To understand the impact of the 2008 crash on a wider range of terrorist actors, another study looked at the five worst effected European countries (Portugal, Ireland, Italy, Greece, and Spain). Controlling for other factors, it analysed both the number of terrorist attacks and direct references to the economic downturn in militant group statements between April 2008 and December 2011. When breaking down the attacks by group ideology, only social revolutionary groups such as Revolutionary Struggle (EA) in Greece, increased their attacks following the economic crash and made

JUSTIFYING VIOLENCE

Economic factors feature in militant propaganda in an effort to drive grievances. The Real IRA has made several statements referring to the economic crisis; justifying attacks against banks and other targets:

‘Working-class communities are suffering most from the effects of cuts to essential services and poverty is now endemic. Families who have lost income as a result of the financial crisis – caused by the bankers – are being intimidated and some are being evicted from their homes’.

In the US, Sovereign Citizens and Patriot groups argue that the 2008 financial collapse was intentionally created by the Democrats. Other far-right movements have declared the collapse to be due to Jewish influence in international finance, or because of control exerted by American presidents.

⁴ Economic decline increases the likelihood of terrorism in developed countries (Blomberg et al., 2004), while the impact of banking crises is influenced by a country’s level of development (Gries & Meierrieks, 2013). Macro-level studies of Western Europe find that growth is associated with reductions in terrorist violence (Caruso & Schneider, 2011; Brückner & Grüner, 2019). In their dataset of right-wing violence, Ravndal (2016) found that attacks in Europe decreased in the years after the 2008 financial crisis. Frisk (2014) examined terrorism in the five European countries most impacted by the crash. The use of the economic crisis to justify violence has been employed by the IRA (McDonald, 2011; Gries and Meierrieks 2013), Sovereign Citizens (Hodge, 2019) and the far-right (Smith, 2019). Extremist groups provide various services to marginalised populations (Bosi, 2013; Stijß & Aakhunzada, 2019), something that poorer governments can find difficult to counter (Graff, 2010). Extremist groups’ use of anti-US violence as an attempt to win over urban populations is identified in a number of studies (Barros et al., 2008; Mousseau, 2011), including Meierrieks’ (2012) large-scale study. Shahbaz (2013) examines the link between economic growth, inflation and violence in Pakistan.

REGIONAL DISPARITIES IN THE IMPACT OF ECONOMIC CHANGE

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significant reference to it in their justifications for violence.

While not directly related to terrorism, economic factors have also been considered relevant to public support for extreme political parties. A study analysing data on 16 European countries from 1970–2002 found that slower growth rates were associated with a significant increase in support for right-wing extremist political parties. However, changing economic growth did not impact support for extreme left-wing political parties.

This may be because there is greater certainty about who will benefit from the redistributive policies of extreme left-wing parties, which would seek to reallocate wealth from the rich to the poor. By contrast, the target of right-wing party policies is less clear cut and may mean they were able to attract support from a broader base. However, despite increased support for far-right parties, levels of right-wing terrorism in Europe decreased in the years after the 2008 financial crisis.

DEVELOPING COUNTRIES

In many developing countries, the neglect or deliberate marginalisation of certain geographic regions or areas appears to facilitate the emergence and growth of violent groups. The exact role of socioeconomic factors in this marginalisation is difficult to assess as it often interacts with a lack of penetration and control by the state in other areas, such as security, police or governance. These conditions provide opportunities for extremist groups to fill the gaps and provide a range of services to local communities. Countries afflicted by severe economic decline or poverty often find it

difficult to sustain counterterrorism efforts; something that radical groups can exploit.

Radicalisation has been found to often take place in poorer suburbs of large and middle-sized cities. Urban poverty is common in developing countries. A body of research suggests that anti-US terrorism is used by groups as a means to consolidate support among economically deprived, urban populations in developing settings. A study of anti-US attacks in 43 developing countries located in Latin America, Africa, Asia and the Middle East from 1999 to 2007 finds that urban, but not rural, poverty is positively associated with such violence.

A study looking at attacks between 1971 and 2010 in Pakistan found a correlation between inflation, economic growth and terrorism. Economic growth, in particular, coincides with more terrorist incidents. Subjective perceptions that growth has benefited certain portions of the population more than others are thought to account for increases in violence. By contrast, causality between inflation and terrorism was found to flow both ways; inflation often both preceded and followed periods of terrorism.

	Nationalist-separatists	Social revolutionary	Puritanical anarchists
Change in attacks	Decrease	Slight increase	Increase
Direct references to the economic downturn/its effects on the population justifying attacks	No	Yes	No

Table 1: Post-2008 terrorist activities from Frisk's (2014) study of five European countries.

MEDIATING FACTORS BETWEEN TERRORISM AND SOCIOECONOMIC CONDITIONS

*Unemployment has been shown to influence how individuals come to engage in terrorism in a variety of ways.*⁵

A range of factors are believed to mediate the relationship between economics and terrorism including unemployment, exacerbating grievances, and support for militant narratives. So far, the vast majority of research has examined how unemployment performs this role.

Unemployment is thought to be significant because it provides violent groups with a pool of potential recruits who feel aggrieved because of their exclusion from the labour market. High unemployment rates brought on by adverse economic conditions also allow groups to recruit higher skilled people. However, empirical findings suggest that the significance of unemployment varies by context and is mediated by a range of factors, including the way it can feed grievances and biographical availability, or the absence of personal responsibilities that may increase the costs and risks of terrorist involvement, such as full-time work.

YOUTH UNEMPLOYMENT

Youth unemployment is thought to be particularly significant, given that terrorists are commonly young men. A study of the MENAP (Middle East, North Africa, Afghanistan and Pakistan) region found that even when other factors were taken into account – including political stability, lack of press freedom, and ethnic and linguistic fractionalisation – youth unemployment tends to increase domestic terrorism. However, it seems to have little significant effect on transnational terrorism.

SECTARIAN DIFFERENCES

Sectarian differences in unemployment significantly impacted the level of paramilitary violence against civilians during the conflict in Northern Ireland. Both Republican and Loyalist violence against civilians increased along with unemployment. By estimating the separate unemployment rates for Catholics and Protestants, unemployment was also shown to account for the intensity of conflict in any given period.

LONE ACTORS

Lone actors display high levels of unemployment: 40 per cent of a sample of 112 individuals in the US and Europe were unemployed at the time of their attack or attempted attack. Right-wing offenders were more likely to be unemployed (50%) as opposed to single-issue (38.1%) or Islamist offenders (30.8%).

BETTER EDUCATED AND MORE CAPABLE

Better educated and more capable recruits are available to terrorist groups when economic conditions are poor. High levels of unemployment appear to have allowed Palestinian militant organisations to recruit more experienced and educated operatives for suicide attacks, in turn resulting in attacks on more important Israeli targets. Unemployed members of terrorist groups also seem more likely to be involved in the direct execution of violence than those with jobs.

⁵ The relationships between youth unemployment ([Bagchi & Paul, 2018](#)), sectarian differences ([Honaker, 2008](#)), lone actors ([Gill et al., 2014](#)) and terrorism have received limited attention in the literature. Unemployment results in better educated and more capable recruits for terrorist groups (Benmelech et al., 2012), who are more likely to be directly involved in violence ([Perlinger et al., 2016](#)). Right-wing violence ([Falk et al., 2011](#)) and support for extreme-right wing political parties ([Panagiotidis & Roumanias, 2020](#)) appear to be linked to personal and familial unemployment ([Siedler, 2006](#)).

RIGHT-WING VIOLENCE

Right-wing violence seems to be related to state-level unemployment. A German study found that total unemployment predicts right-wing extremist violence better than youth unemployment. This is somewhat surprising given that right-wing offenders are typically profiled as young men between 15 and 25 years old. One explanation might be that the violence is not actually committed by those who are unemployed but rather that a high unemployment environment may lead to fear, intolerance, and a weakening of social norms.

FAR-RIGHT POLITICAL PARTIES

Far-right political parties receive greater support as levels of unemployment rise. In a European context, a number of studies have found support for this

relationship. Analysis of 31 European countries with electoral data going back to the start of the 20th century finds that a one per cent increase in the European unemployment rate is associated with a 1.37 per cent increase in the share of the vote of the far-right; 0.81 per cent of this support was for parties categorised as extreme-right.

FAMILIAL UNEMPLOYMENT

Familial unemployment may also contribute to right-wing involvement. A study of German young people aged 16 to 29 found that parental unemployment during childhood is significantly associated with right-wing extremist attitudes and involvement. Individuals who grew up with an unemployed parent are one to five per cent more likely to join a skinhead or neo-Nazi group.

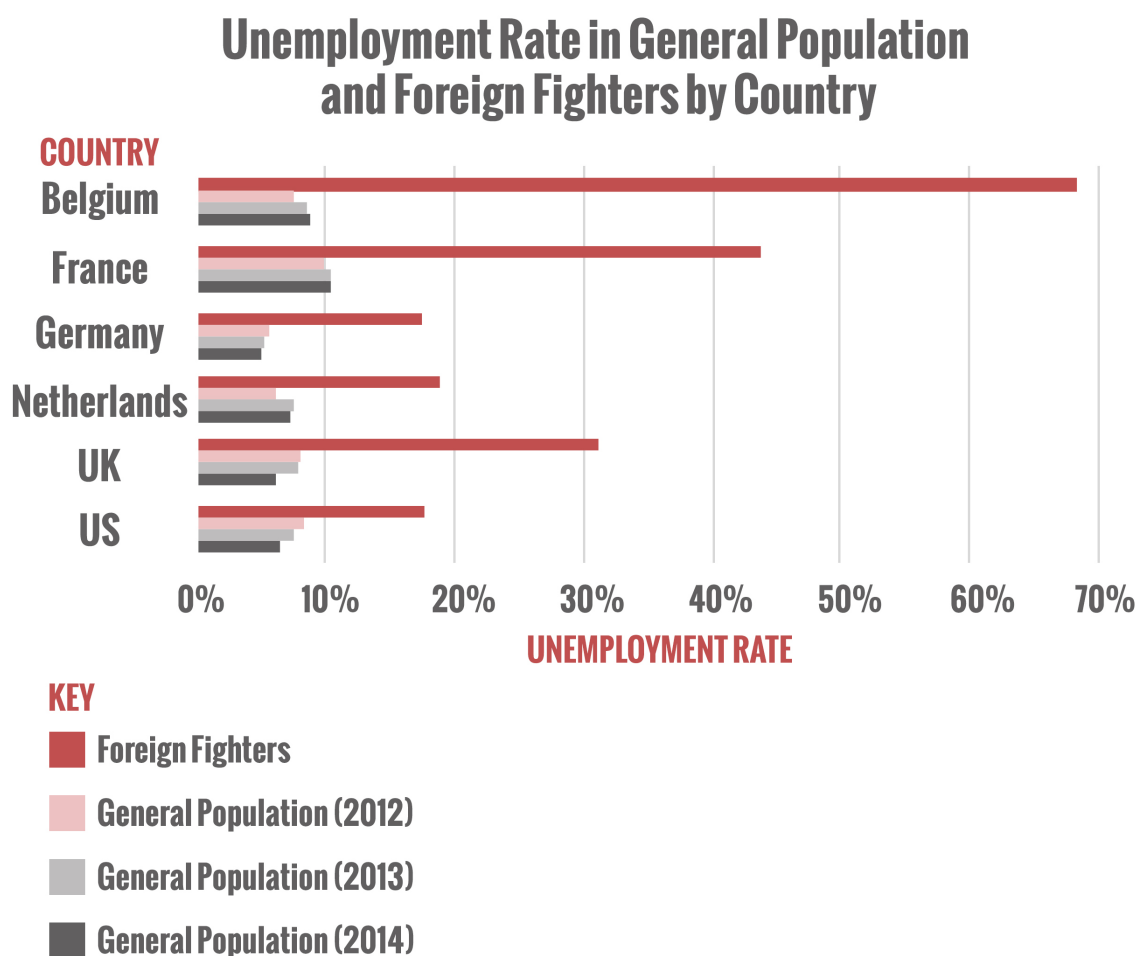
FOREIGN FIGHTERS AND UNEMPLOYMENT

In both Western and non-Western countries, unemployment appears to be a significant factor in the decision to travel to Iraq or Syria.

A growing body of work has examined unemployment, as opposed to other socioeconomic factors, as a factor in the decision to join IS. Comparative macro-level studies highlight that countries with higher unemployment rates tend to see more people travelling to become foreign fighters. Using leaked IS personnel records, a study of 3,965 foreign recruits from 59 countries found that higher unemployment rates appear to be a push factor in the decision to travel. This is particularly significant for countries closer to Syria: a one per cent increase in a country's unemployment rate results in an additional 42 recruits. However, this decreases significantly as the distance from Syria increases, and becomes both economically and statistically insignificant past a distance of 2,500 km.

A study examining foreign fighters per million citizens from 81 different countries found that youth unemployment both in Muslim countries, and among Muslims in Western countries, is a predictor of people travelling to join IS. Across all of the countries examined, for every ten per cent increase in the youth unemployment rate, the number of foreign fighters per million increases by 0.59 per cent. For Muslim majority countries the relationship is even stronger; a one per cent increase in youth unemployment equates to an average 0.4 per cent increase in the number joining IS.

Analysis of the socioeconomic backgrounds of foreign fighters also points to the role of unemployment in their decision to travel. The study of leaked IS personnel records found that 27 per cent of recruits reported not having a job (including being retired) before they travelled. Of 43 people from 12 EU, Middle Eastern and North African countries who had travelled or attempted to travel to Syria, a third were unemployed while the other two-thirds had menial or low paid jobs. A further study of 402 foreign fighters primarily from Western Europe, North America, and Australia found that 35 per cent were unemployed, and only 10 per cent were employed in 'good' jobs.



EMPLOYMENT RATE IN GENERAL POPULATION AND FOREIGN FIGHTERS BY COUNTRY

High employment rates are consistently found in foreign fighters originating across European countries. A little over a third of a study of 112 Italian foreign fighters were unemployed before their departure, and 44.8 per cent were low-paid workers, often working illegally.

Unemployment rates among foreign fighters are also much higher than within the general populations of their home states. The unemployment rate of foreign fighters from Belgium, the United Kingdom and

France is three or more times higher than that of the general population. For the United States, Germany and the Netherlands, unemployment in the foreign fighter population is twice as high as elsewhere. When interpreting these findings, unemployment rates should be compared with similar populations across different countries.

In each of the countries examined, there is almost no gap between foreign fighters and jihadists who stay at home in terms of unemployment rates. A study of 14 EU countries also finds that the gap in employment between 'native residents' and immigrants/non-EU nationals positively correlates with the number of individuals who have become foreign fighters.⁶

⁶ Comparative macro-level studies of IS recruitment (Pokalova, 2019), including those using leaked IS personnel records, highlight the importance of unemployment for predicting where foreign fighters are likely to originate from (Jelil et al., 2018), as well as fighters per million of population (Gouda & Marktanner, 2019). High unemployment rates are found across IS recruits (el-Said & Barrett, 2017; Perliger & Milton, 2016), including those coming from European countries (ICCT, 2016; Perliger & Milton, 2016; Verwimp 2016).

INDIVIDUAL-LEVEL ECONOMIC FACTORS AND ATTACK LIKELIHOOD

*Individual-level economic factors are thought to be important in the radicalisation process. However, there is only limited empirical evidence as to how financial issues impact how and when individuals are likely to engage in violence.*⁷

The relationship between individual-level economic circumstances and the intent to carry out attacks is less well understood compared with macro-level factors. Although socioeconomic grievances are described as important in virtually all work on radicalisation processes, there is limited evidence about how this plays out in practice. There is also little exploration of economic factors outside of grievances.

SOCIOECONOMIC MECHANISMS THAT INFORM RADICALISATION PROCESSES

- **Objective suffering:** The frustration with being poor
- **Social mobility closure:** Frustrations caused by unmet socioeconomic expectations, such as not having the employment you believe you deserve
- **Horizontal inequality:** Frustrations caused by systematic injustices that economically disadvantage your group
- **Opportunity costs:** Individuals have little to lose through involvement in violence.

Hegghammer (2016)

Indirect effects, that often result from poverty are also thought to increase the likelihood of radicalisation. These include negative experiences with the police; an increased chance of encountering radical organisations; and more free time to explore extremist materials when unemployed.

UNEMPLOYMENT

Unemployment alone does not appear to consistently impact radicalisation. Many lone actors were chronically unemployed or failed to hold any form of employment for a significant amount of time before deciding to carry out their attacks.

Survey data from eight Arab countries found that unemployment had the greatest influence on radicalisation for those with higher levels of education. This may be because educated young people often have to wait years to get a job or join the informal sector where wages, job security and social protection are low. Grievances caused by unmet expectations may exacerbate the risk of radicalisation. The importance of individuals' subjective perceptions of their unemployment status and relative deprivation is also significant. The interaction between being unemployed in a country with a higher growth rate has been shown to increase likelihood of support for violent extremism.

A sample of youths in the Netherlands who had travelled or attempted to travel to Syria shared multiple experiences of discrimination in trying to find work or even an internship. They report that exclusion from the job market exacerbated their perceptions of not being part of Dutch society. Experiences of employment also appear to impact on individuals' actions when joining groups. Of 3,803 foreign IS recruits, those who

⁷ Socioeconomics are widely regarded as a factor in radicalisation (*McCauley & Moskalenko, 2008; Veldhuis & Staun, 2009; Schmid, 2013*), including losing a job (*Wiktorowicz, 2005; Mullins, 2016; Bhui et al., 2016*). Non-grievance related factors that relate to socioeconomic issues are from *Hegghammer (2016)*. A high prevalence of unemployment is identified in a sample of 112 lone actors, as was the length individuals were unemployed before carrying out their attacks (Gill et al., 2014). The importance of frustration at unmet economic expectations is identified in a number of large surveys (*Bhatia & Ghanem, 2017; Vijaya et al., 2018; Neve et al., 2020*). Unemployed IS recruits' preferred choice of role are from World Bank research (*2016*). *Sweeney & Perliger (2018)* investigated unplanned right-wing attacks in the US. The financial aspects of decisions to join Sovereign Citizen movements are found in several studies (*Sanchez, 2009; FBI, 2011; Berger, 2016; Hodge, 2019*).

reported not working before joining were most prone to ask to be 'suicide fighters'.

LOSING A JOB

Losing a job seems to create or exacerbate the risk that an individual will come to support extremism. The literature on radicalisation highlights that experiences of unemployment-related adversity may bring about a 'cognitive opening' and the loss of a clear identity prompting individuals to consider and embrace extremist ideas.

Of 112 lone-actor terrorists from the US and Europe, 40.2 per cent were unemployed. Over a quarter (26.6%) of those out of work had lost their jobs within six months of their attack, while a further 15.5 per cent had become unemployed between seven and 12 months before their attack. A quarter of lone actors had experienced financial problems, with 56 per cent experiencing this within a year of the attack or plot.

UNPLANNED ATTACKS

Unplanned attacks are more likely to be carried out by those from lower socioeconomic backgrounds and who experienced greater unemployment. Amongst far-right perpetrators in the USA, those from deprived backgrounds tended to target victims they

had no previous connection with; demonstrated less premeditation; and acquired less preparatory material. Only 63.7 per cent of spontaneous attackers were members of hate or extremist groups, compared to around 80 per cent of those who planned their attacks.

FINANCIAL STRESSORS

Financial stressors have been little explored in empirical research on radicalisation although they are often listed as a factor in pathways to violence. Personal financial stressors, such as the threat of foreclosures or the loss of life savings, are responsible for drawing many adherents to Sovereign Citizen movements, or 'freemen on the land' as they are often referred to in Canada. Sovereign Citizen movements provide the appeal of financial relief through 'secret knowledge' of means to discharge oneself from debts or tax obligations and to claim money from the government.

Sovereign Citizens commonly engage in what has been called 'paper terrorism' or the issuing of false liens against the property, businesses and homes of their enemies. However, they also resort to threats or violence when their actions fail to deliver solutions to their economic problems, or when expectations about their financial rights and privileges are not met. These actions have primarily targeted lawmakers, judges, and law enforcement agents.

ASSESSING THE EVIDENCE BASE

While much research has been carried out on the relationship between socioeconomic factors and terrorism, significant gaps remain. Debates remain in virtually all areas. Much of this work also focuses on homegrown terrorism in Western Europe, largely carried out by ethno-nationalist and left-wing groups before 2003. It is not understood how the conclusions reached apply to contemporary terrorism.

Further empirical research is needed to understand and evidence the claim in the literature that economic factors inform radicalisation and influence individual-level processes. The relationship between socioeconomic grievances and violent actions is often left unexplained.

Financial stressors are evidently important to some terrorists but have only been examined in relation to a narrow subset of attackers (Sovereign Citizens). Factors that relate to poor economic circumstances outside of grievances, such as having more free time; negative interactions with law enforcement; and favourable attitudes towards radical groups who provide basic services, also need much further exploration.

READ MORE

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