

## Terrorist Phenomenon and Regionalization in the Globalization Conditions

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**Abstract.** *Globalization concept refers to the growing interdependence of countries, resulting from the integration of trade, finance, investments, labor markets and ideas in one global marketplace. Against the process of globalization, it functions the process of fragmenting in its smaller entities depending on regional economic interests. Some of that economic and political interests are influenced by terrorist phenomena and debated in that study into paradigms. The growth of terrorist networks is in interdependence with the economic field and creating scissions in global multinational interaction and development, resulting in regions with specificities into a globalized world (regionalization). Even there are global connections between all the countries, that are breaks and incompatibilities between the global economic trade based on the terrorist phenomenon so were being created specific regions of the world and signed specific agreements in regions with a frequency of terrorist attacks trying in the same to limit or to eradicate this danger named terrorism. Such regions with such terrorist attacks confronting now days are The Middle East, North Africa, Levant, Soviet Union, Southeast Asia and remote episodes in Europe and America. The main stringent problems are in the Middle East so, that region is analyzed in that study. The paper has a theoretical approach and a research design The purpose of that paper and also the aim is to explain one case of regionalization research into the globalized conditions that could measure regional performance in the economic field, an aspect that interferes with regional and global security and regional transformation. This study includes statistical data analysis in order to identify the respective regional changes in, socio-economic field, based on environmental and societal aspects. The original findings in conclusions evaluate and demonstrate that Middle East regionalization example in the context of terrorist phenomenon with the particularities and emphasizes the importance to bridge the gap, and to explain regionalization through two paradigms - liberalism and constructivism that conducted at the final idea of the difficulty of replication of the same methodology and considerations in other parts of the world.*

**Keywords:** *terrorism; regionalization; globalization; economy; agreements.*

### Introduction

**Globalization** has been internalized in world countries and refers to the spread throughout the globe of ideas, customs, institutions, and attitudes originated by a union of countries of the world. For this globalization, it has often been perceived as a largely external threat rather than an opportunity. For that reason, the negative effect of globalization was the multiplication of terrorist activities around the world.

A universally accepted definition of **terrorism**, and the significant impact that this would have on current and future anti-terrorism efforts, there is no universal agreement or official definition of terrorism. Definitions tend to rely heavily on who is doing the defining and for what purpose. According to the Federal Bureau of Investigation of the United States, the definition of terrorism is "the unlawful use of force or violence against persons or properties to intimidate or coerce a government, the civilian population, or any segment thereof, in furtherance of political or social objectives".

Terrorism is a phenomenon that has spread to nearly all parts of the world in the last part of the years. Many countries in the Middle East, North Africa, Levant, the former Soviet Union are confronting with that terrorist activities. There are multiple factors that play games in that destructive activities and it has been suggested that increasing globalization has contributed to outbreaks of terrorist violence.

The sources of terrorism are always sources of instability in a region or another of the globe. Instability is often a weakness of power: a vacuum or a power crisis that interferes in one area or another generates the

resumption of the unrestricted struggle between local actors so that instability becomes a perpetual state and a direct source of terrorism.

The terrorist act is directed against individuals, groups, categories and social classes, or even the state, as well as against their interests. As a rule, victims are chosen according to the symbolic representativeness criterion. The acts of terrorism were directed both at persons - high personalities, diplomats, soldiers, businessmen, civilians, etc. - as well as on state institutions, public and diplomatic objectives, land or air transport means.

Although the causes of terrorist actions are difficult to identify and explain due to significant differences from one country to another, in terms of their magnitude and intensity, most specialists and researchers believe that the sources of these phenomena reside in the perpetuation of political, economic and normative deficiencies in maintaining and exacerbating social and economic disparities between individuals, groups, and communities, but also in intensifying social and ethnic conflicts and tensions.

The new world architecture after the end of the Cold War has led to the fall of political barriers not only in Europe but also globally. Such a major change has had an impact on the economic barriers in Europe, but also across the world. This change has opened new paths for substantial economic development, free movement of citizens, capital, markets, open economies, and totalitarian societies. However, these developments also allowed criminal groups to expand their relationships, develop co-operation between them in the field of illicit activities and onerous financial transactions. As noted in a recent study, "in practice, international crime networks, in all its aspects, have adapted to new conditions faster than the rest of society, using the new opportunities emerging from revolutionary changes on the political scene, business technology, and communications, which have made the world generally more common to everyone.

The liberalization of production and the economic market, including the labor market, has led to the promotion of reforms that have taken full advantage of criminal groups by setting up illegal economic companies or apparent "parks" behind which they conduct illicit business, such as smuggling, money, financial frauds, piracy of intellectual property, trafficking in human beings, drug trafficking, arms trafficking. In fact, multilateral economic agreements have abolished many of the "old world" barriers, between North America, Europe, Asia and the rest of the world, leading to a substantial increase in international trade.

In the Middle East, the decade of globalization was marked by endless wars, intrusive US hegemony, renewed economic dependency, and continuing insecurity. Globalization was ushered into the Middle East by a war that gave the Western victors excessive power over the region and created a violent anti-globalization struggle. As some authors argue, it has strengthened Islamic fundamentalism and, due to its ambiguity created a contradictory and tension-filled situation (Callimachi, 2014). Globalization thus often acted as an obstacle rather than an impetus to democratization and for that reason was created. Against most expectations, the processes of globalization on the hand proved highly turbulent activity and have generated new conflicts, hostilities, and exclusions throughout the world, but in that Middle East region, the intensity was increased in the last decades.

The Middle East countries were put in that study because it was found that terrorism had a maximum rate of terrorist attacks in Iraq, Afghanistan, and Syria. In contrast, there were few terrorist attacks in all of western Europe or in another part of the globe in the same year (2016 with a peak in terrorist attacks). Though the Global Terrorism Database notes that the number of terrorist attacks in Europe is rising, the situation in the Middle East is exponentially worse—a region where attacks are essentially a part of daily life for many citizens. a significant economic impact, costing Europe €220 million between 2004 and 2018. (EU Report) Examining far more than direct costs, such as loss of life or damage to persons and infrastructure, there is the indirect psychological impact not only on local population but also on European citizens—people not involved in terrorist attacks, but suffering from anxiety and fear as a result—and its effects on GDP. The costs of terrorism, however, extend far beyond physical destruction. (Rajan, Peter, Neumann, & Brunner, 2016)

**Regionalization concept** refers to the process of deeper cooperation, integration, and cohesion and identity creation in a regional space and involves state as well as non-state actors. T.V. Paul (2012.) defines **region** as: "a cluster of states that are proximate to each other and are interconnected in spatial, cultural

and ideational terms in a significant and distinguishable manner, “from a systematic perspective, regions develop into subsystems because of the regularized interactions and interconnectedness among states that comprise them”. The EU is considered to be the most advanced model of regionalization and regional integration. However, some political scientists, Ripsman and Haas (as cited in Elden, 2010) underscore that this kind of successful regionalization concept to be difficult to be applied for other regions like the Middle East region. In that case, the concept of regionalization means something opposite to the general concept and appears with the absence of trust between the core regional countries and other countries with dissimilar cultural rules and religion and for that was implemented the fear of assimilation towards global powers.

**In that case, Regionalization means** a region that develops a conflict management techniques tools, noncooperation, intolerance, that lead to a long-term conflict settlement in the region with a frequency of terrorist attacks, instability, and not for the least resulting human and economic losings. Muslims have always been proud and sensitive about their religion because Islam is not only a faith but also a law, a “sharia” that regulates all aspects of their life, including economic transactions.

Though the physical impacts of terrorism in the Middle East should be the primary focus of counterterrorism efforts and for that financial impacts should not be ignored. There is merit in measuring the cost of terrorism as a way to identify gaps and challenges. (Counter Extremism Project, 2017).

By identifying and protecting essential regional revenue streams like tourism and oil, counterterrorism national and international organisms could help mitigate the devastating economic effects that extremist groups inflict on the Middle East.

Also on the global level of the economic repercussions of the extended conflict represent a huge problem and represent **the aim of that paper** to explain that case of regionalization into the globalized conditions that could measure regional and international performance in the economic field, an aspect that interferes with regional and global security and regional transformation.

**The objectives** of that study were:

- To present the theoretical approaches on regionalization, regional evolution;
- To analyze and present the main problems resulting from terrorist activity that create gaps in the economy in the Middle East region;
- To evaluate the impact of terrorism on the regional and international economies in the global context.

### **Theoretical approach**

Rather than using European Union or other regions as the standard model from which to explain all other cases of regionalization, or excluding European Union altogether in theorizing attempts, the study presents the importance to bridge the gap, and enhance communication in comparative regional analysis. The regionalization, in that case, was explained through two paradigms - **liberalism and constructivism** by Securitization and Regional Security Complex Theory. (United Nations Security Council. Resolution 2249, 2015) Have created an unadapted econometric model that might explain how contemporary security environment in which specific type of competitiveness (competitive regionalism/city-regionalism) partly supersedes military-based security issues; arguing that the Middle East is still unfinished region encompassing divergent ideas, norms, and domestic consideration –in dissimilarity with others countries. (Collier, 1999) Several eclectic perspectives on regions have been developed over the years like paradigms.

**Realism Paradigm** sustains main variables like Institutions, democracy, economic interdependence. Liberalism, the significant alternative perspective to Realism, offers the Kantian tripod: democracy, economic interdependence (international trade, foreign direct investment), and institutions for transformational regional change. Usually, interdependence is measured using the economic importance of bilateral trade relative to the countries' gross domestic products (GDP). It is stated that if these three mechanisms are fully developed in a region, the emergence of a pluralistic security community is possible. Crucé (1623) offered a sociological explanation for why commerce causes peace; foreshadowing a current scholarly debate he also argued that the causation runs the other way, that universal peace encourages international commerce, while other scholars prefer the importance of industrialization. Most empirical quantitative research on the commercial-liberal themes affirm that states that have more economic ties

tend to have fewer violent conflicts and other variables such as alliances, hegemony, democracy, and geographical proximity are controlled for. Managing economic interdependence, coping with (non-traditional) security threats and securing regime survival provide powerful accounts for why states and other actors engage in regional institution-building. Transforming regions into pluralistic security communities, moving from zones of war to stable zones of peace, has assumed increasing importance since the weapons of war/conflict have become more deadly.

**Constructivism Paradigm** sustains proper ideas, identity, practices. For constructivists regions are not seen as natural, organic, essential or material objects, but rather as dynamic settings for social interaction, with a particular focus on the process through which they are becoming, and the way they are constructed/reconstructed by reflective actors. It is stated that there is a way in which ideas shape regional order: the preexisting ideas (or cognitive priors) of individuals or societies whether they are world views, causal ideas, or principled ideas - can be the foundation around which regional orders may develop. Constructivists claim that if proper norms, ideas, and practices are developed, war can be prevented and peaceful order can be developed, a region can transform into a pluralistic security community, that is, a transnational region composed of sovereign states whose people maintain dependable expectations of peaceful change, where organized violence is no longer the means to settle disputes. Ideas, norms, and practices are given considerable significance in the formation and persistence of a given regional order these norms can be created and diffused internationally with the help of norm entrepreneurs.

### **Main problems resulting from terrorist activity that create gaps in the economy in the Middle East region**

The economy of the Middle East consists of the economies of Azerbaijan, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kurdistan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, Turkey, United Arab Emirates (UAE), and Yemen.

The economy of the Middle East is very diverse, with national economies ranging from hydrocarbon-exporting rentiers to centralized socialist economies and free-market economies. The region is best known for oil production and export, which significantly impacts the entire region through the wealth it generates and through labor utilization. In recent years, many of the countries in the region have undertaken efforts to diversify their economies. (Halliday, 2003)

There are two aspects that created gaps in the regional economy first is related to terrorist groups financing and second with economic repercussions of terrorist activity- attacks.

The first aspect related to the funding of terrorist groups is related to the ease of transferring money to and within terrorist groups that have increased with increased access to the internet, online banking, phone money transfers, and cryptocurrency. Outside of conflict-areas, the cost of developing groups for executing attacks is generally being well-funded. On the other hand, criminal-terrorist networks are weakening states' structures and undermining rule of law and creating illegitimate governments. (Al-Awsat, 2017) These networks have allowed terrorist groups like ISIL and al-Qaeda to broaden their scope of power by increasing their number of affiliates and partners. (UCDP - Uppsala Conflict Data Program, 2017) They survive in trans regional, decentralized, and ungoverned spaces populated by people who no longer trust or even hope to receive services from any governance structure. (Jones, 2017) The significant gaps in criminal justice systems help to sustain these groups. Only by closing the gaps that criminals and terrorists are exploiting can there be any real reduction of the threat.

One example of illicit activities with money leaks from the regional economy is the activity of the ISIL group -the deadliest and wealthiest terrorist group. ISIL's funding structure caved in during the last two years due to major losses of territory in Iraq and Syria. Funding for the organization peaked at US\$2 billion in 2015 with half of these funds coming from oil smuggling. ISIL was producing up to 75,000 barrels a day in generating revenues of US\$1.3 million per day. The 68-member Global Coalition has targeted ISIL's revenue sources to hinder its ability to operate. By early 2017, the Global Coalition had destroyed more than 2,600 sites relating to oil extraction, refinement, and sale. Cash storage sites have also been targeted which significantly hinders ISIL's operations by making it more difficult to pay fighters and provide basic services such as the supply of essential medical supplies. By destroying 25 bulk cash storage sites, the Global Coalition has destroyed potentially several hundred million dollars. The Iraqi government has also

shut down banking systems within ISIL controlled territory to restrict payments to government workers in these areas. With the continuing loss of territories, ISIL's funding will be further materially impaired.

In 2015, extensive taxing of individuals and businesses in controlled territories accounted for 30 percent of the group's funding. By 2017 ISIL had lost control of around 60 percent of the territory it once held in Iraq and Syria. This has included areas related to oil production and much of ISIL's tax base, particularly in densely populated cities such as Mosul. It has been reported that due to these losses, ISIL has shifted to drug dealing in the region. It is estimated that ISIL's revenue has fallen from US\$81 million per month in 2015 to US\$16 million per month in 2017.

Some reports suggest that the sale of stolen artifacts on the black market after heritage sites destruction may be ISIL's second-largest source of revenue, after oil. In fact, the terrorist activity needs many to support the activity, so the sources of the finance are due vandalism, illicit activities develop with the help of influence person with governmental support.

The second aspect is related to economic losses produced by terrorist activity-attacks.

In the Middle East, in particular, there are serious cultural and economic impacts as well given by the destruction. In Iraq and Syria, ISIL has destroyed thousands of industrial sites, buildings, and ancient heritage sites.

ISIL began releasing videos and/or carrying attacks at UNESCO World Heritage sites on a monthly basis throughout the first half of 2015. In 2015, ISIL released videos showing the intentional destruction of antiquities at the UNESCO World Heritage sites of Hatra<sup>64</sup> and Assur and additionally carried out other deliberate attacks to the UNESCO 'tentative' sites. These attacks were, as in type performed with sledgehammers, explosives, and bulldozers. A number of other nations, such as Egypt, the United Arab Emirates, Israel have suffered similar declines in the economy due to tourism in the wake of terrorist attacks, dealing a devastating blow to their economies. (Eckstein & Tsiddon, 2004) Terrorism has also had a major impact on one of the Middle East's other most critical industries, oil. Terrorists have targeted oil facilities in several Middle Eastern nations, causing supply shortages. (Assel, Huby, & Frantzi, 2010)

### **The impact of terrorism on the regional and international economy in the global context**

While the human cost of terrorism is devastating, the economic impact may be larger than most realize. Terrorism imposes significant economic costs on societies and leads not only to direct material damage but also to long term effects on the local economy. The identification and the estimation of these economic effects of terrorism have received broad attention in economic literature and research. That said, a number of factors influence the cost of terrorism to a country's economy, namely: the diverse nature of terrorism, the economic resilience of an economy and security levels.

Terrorism will not only cause primary economic impact but will also produce considerable secondary (or indirect) impact. This secondary economic impact is the result of an interdependent economic system in which terrorist attacks cause the disruption of economic entities that have not been direct targets of the attack. The economy of an area affected by terrorism suffers an immediate impact due to loss of property and funds used to repair buildings and infrastructure damage. It also suffers long term effects as financial markets slowly recover from the shock of the attack.

Terrorist events not only lead to material and immaterial costs for those who have become victimized but also force local and national authorities to spend billions on the prevention of terrorism and the detection prosecution and punishment of terrorists.

Markets that have been subjected to terrorist attacks lose investor confidence and take considerable time and concerted efforts to rebound. Indeed, the negative effect of terrorist acts on financial markets is one of the clearest aspects of terrorism. Since share prices reflect expected future gains of a company, a terrorist act will negatively influence the share prices, resulting in a decline in expected profits as security measures increase, pushing up the costs of production and trade costs, with a result of the decreasing consumption rates. The risk premium will increase due to uncertainty. So, negative effects will start even before the act of terrorism, only by the expectation of it.

Terrorism has the negative effect of reducing the capacity of states to invest in economic or socially benefiting projects.

Terrorism systematically influences the tourist's choice of destination and can, therefore, substantially negatively affect a host country.

Despite the positive definition of economic collaboration conceptualized by globalization, economic interdependence among major powers remains a check on aggressive behavior. Major and middle powers search for ways to reduce the types of interdependence that leaves them vulnerable to economic coercion and financial sanctions, potentially providing terrorist networks more freedom of action to aggressively pursue their interests, but displaying false pretexts. Meanwhile, the threat from terrorism is likely to expand as the ability of states, groups, and individuals to impose harm diversifies. The net effect of rising tensions within and between countries—and the growing threat from terrorism—will be greater global disorder and considerable questions about the rules, institutions, and distribution of power in the international system.

On a regional level, the result of terrorist activity has gained a large scale due to the economic interests of the major powers in the area of the Middle East region, but countries embroiled in direct conflict tend to suffer the highest economic impact from terrorism. Most of them are situated in the Middle East and North Africa, sub-Saharan Africa and South Asia. In the last years, Iraq had the highest economic impact of terrorism as a share of GDP at 24 percent. Afghanistan was also ravaged by terrorism with losses coming to 13 percent of GDP while South Sudan had the third-highest impact at 9 percent.

The top of risks across the region for doing business are “energy price shock” and “unemployment or underemployment”, “failure of regional governance”, “fiscal crises”, “illicit trade”, “failure of financial mechanism or institution” in one word “instability” due to terrorist activities. On the labor side, the picture in the MENA region is dire. For the past 25 years, the rate of unemployment among young people has been the highest in the world, and in 2017 the rate was 30%.

On an international level, every year, terrorist attacks make a considerable impact on the world's economy. According to the 2017 Global Terrorism Index, the impact fell by seven percent in 2016, the second year in succession that it declined. (cited in The Institute for Economics and Peace, 2016). Despite the decline, costs still reached a grim, primarily as a result of violence in Iraq. Amid the rise of ISIS, there was a further surge in losses since 2012 and they reached a peak in 2014-2016. (Riley, 2017)

Terrorism also raises the costs of doing business, with affected countries. This increases the prices of products, which in turn tends to reduce the exports and imports of these nations. The conclusion hypothesized was that changes in the country's production patterns are due as a result of terrorist attacks.

A reaction on the behavior of the Great Powers and played by their interests in the Middle East region, with negative impact starting from 2001 in the United States and 2002, in Europe, in countries like Turkey, France, Spain and the United Kingdom that have suffered the brunt of the terrorist attacks based on Muslim terrorist activity. “One of the thoughts mixed with religious Muslim beliefs (Sharia Law), of the attackers was that, if terror disproportionately disrupts an import-competing industry in a nation” creating panic, the effect is reducing economic activity. The potential costs of global trade attacks were highlighted annually and in January 2019 when the International Monetary Fund (IMF) cited that trade disputes with terrorist implications are one reason for revising down its global growth projections for the second time in three months.

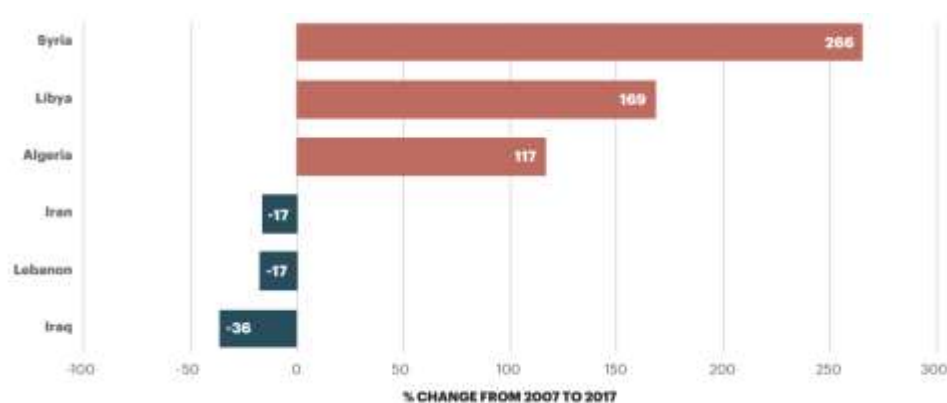
The economic impact of terrorism is calculated using IEP's cost of violence methodology. The model includes both the direct and indirect costs such as lost lifetime earnings as well as the cost of medical treatments and property destruction from incidents of terrorism. The direct costs include those borne by the victim of the terrorist act and associated expenditures such as medical costs. The indirect costs include lost productivity and earning as well as the psychological trauma to the victims, their families, and friends.

IEP also uses an economic multiplier. The economic multiplier is a commonly used concept which describes the extent to which additional expenditure flows through to the wider economy. If a terrorist incident didn't occur, then the costs associated with it would not occur and the money would be more productively spent such as in business development or education. For example, medical costs to treat victims of terrorist attacks or expenditure to repair and rebuild destroyed properties could have been channeled into investments with higher returns.

Similarly, if the lost lifetime earnings were included in the economy, then the individual's expenditure would have a flow-on effect through the economy and this would result in additional economic production. The study uses unit costs for homicide and injuries from Mc Collister, French, and Fang (2010). The unit costs are adjusted to individual countries using GDP per capita at purchasing parity level relative to the source of the estimates. In addition, to present the cost in constant 2015 terms, average annual consumer price index data from the International Monetary Fund (IMF) is used to adjust the unit costs. The adjusted unit costs are then used to estimate the cost of deaths and injuries from incidents of terrorism. In addition, the data provides estimated dollar values of property destruction for a sample of incidents. The property destruction estimates from the GTD are then used to generate unit costs of property destroyed by various types of terrorist attacks such as bombings and explosions, armed assaults, hostage-taking, and assassinations. The unit costs are estimated considering the country's national income level and the scale of property destruction. For example, minor property destruction resulting from bombing is calculated using a different unit cost for high income in countries compared to lower-income country groups. Large scale terrorism has implications for the broader economy in countries experiencing intense conflict; therefore, IEP's model includes losses of national output which is equivalent to two percent of GDP. The analysis does not include the impact on business, the cost of fear from terrorism or the cost of counterterrorism.

The vast majority of terrorism occurs in the Middle East and North Africa (MENA), South Asia and sub-Saharan Africa regions. Collectively these regions account for 84 percent of all attacks and 94 percent of deaths. The economic impact of the refugees and IDPs reached \$355 billion in 2017. An example is Syria 24% of GDP Syria's ongoing conflict represents the biggest contributor to their violence containment costs.

Figure 1 shows six countries from (MENA) that recorded the largest increase or decrease in the economic impact of violence between 2007 and 2017. Syria had the largest increase in the region due to the start of the civil war in 2011, resulting in 400,000 deaths and displacing 11 million people. Libya also experienced a sharp increase in violence following the fall of the Gaddafi regime, leading to the fragmentation of state institutions and the rise of local militias. On the other hand, Iraq experienced a reduction in its economic impact of violence as the intensity of conflict declined and the war against ISIL led to the defeat of the terrorist group. Violence in Iraq experienced two different peaks. First, it increased in 2007 when al-Qaeda militants carried out violent attacks against civilian and military targets. The second peak in violence came during the rise of ISIL when they started advancing on cities and established their self-proclaimed caliphate. The decreases in Iran and Lebanon are due to a reduction in the impact of the spillover effects from neighboring conflicts. Containment spending in Iran also reduced as a result of a severe economic contraction due to international community sanctions.



Source: IEP

**Figure 1.** Changes in the economic impact of violence in MENA, 2007-2017  
(*Economic Value of Peace*, 2018, p.21)

In Table 1 the economic cost of violence includes only the direct and indirect costs. Per capita and percentage-of-GDP results are calculated using the economic cost of violence.

**Table 1.** The economic cost of violence by country, total in millions of 2017 PPP, per capita in 2017 PPP, and as % of GDP

| Economic Cost of Violence<br>(Rank by % GDP) | COUNTRY | Economic Cost of Violence<br>(Millions 2017 PPP) | AS % GDP |
|--|---------|--|----------|
| 1  | Syria   | 29,065.2   | 68       |
| 2  | Iraq    | 277,839.6  | 51       |
| 3  | Libya   | 17,715.9   | 26       |
| 4  | Lebanon | 7,625.4  | 9        |
| 5  | Iran    | 131,776.7  | 8        |

(*Economic Value of Peace, 2018, p.31*)

## Conclusions

Despite the fact, that the EU is considered as the most advanced and successful type of regionalization, it is observed that this model is difficult to be replicated in other parts of the world and in the Middle East in particular. However, recent events in France (terror attacks) and other countries in Europe only underline how much the EU's and Middle Eastern societies, geography, politics, and security have become inextricably bound up.

The current situation in the Middle East is very complex with its highly conflict-prone structure and a weak regional resilience to an external impact. In order to address and better explain this complex situation, the author crafted interdisciplinary research borrowing explanatory variables and causal logic from distinct approaches in order to gain a greater purchase on the cases and issue areas.

The clustering effect (competitive regionalism/city regionalism) research results are following: - when labor productivity in the region is decreasing, inflation rate goes down (economic aspect); - when employment rate is decreasing in the region, the GDP per capita is decreasing as well (social aspect); This part of the research had shown that: political instability, non-states actors (ISIL) has a negative impact on economic indicators.

Terrorist events influence three main types of economic actors, namely: Individual households: terrorist attacks have: Negative effect on reported life satisfaction and produce more; Fears and risks, with repercussions on the psychological; and Medical state of individuals at the household level.

The private sector (companies, and firms): the actual direct losses of terrorism depend on the nature of the attacks (property damage or ransom payments for hostages, etc.);

The public and local authorities: Costs for the public sector arise whenever public infrastructure, buildings, and UNESCO sites were destroyed.

Due to a terrorist act, these economic agents and economies suffer from impact through losses in physical and human capital, and, at the same time, public policies may influence the economy through their immediate responses to the violent shock that occurred.

**Acknowledgments:** This research was developing with the aid and support of Ph.D. Program, at the Bucharest University of Economic Studies (2019-2021) and also supported by Erasmus Mobility - bilateral cooperation Agreement between Bucharest University of Economic Studies (2019/2020) and St. Cyrill and St. Methodius University of Veliko Tarnovo, Bulgaria.

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