Modeling Socioeconomic and Political Dynamics of Terrorism in Pakistan

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Abstract : Terrorism, today, has emerged as a global menace with Pakistan being the most adversely affected state. Therefore, the motive behind this study is to empirically establish the linkage of terrorism with socio-economic (uneven income distribution, poverty and unemployment) and political nexuses so that a policy recommendation can be put forth to better approach this issue in Pakistan. For this purpose, the study employs two competing models, namely, the distributed lag model and OLS, so that findings of the model may be consolidated comprehensively, over the reference period of 1984-2012. The findings of both models are indicative of the fact that uneven income distribution of Pakistan is rather a contributing factor towards terrorism when measured through GDP per capita. This supports the hypothesis that immiserizing modernization theory is applicable for the state of Pakistan where the underprivileged are marginalized. Results also suggest that other socio-economic variables (poverty, unemployment and consumer confidence) can condense the brutality of terrorism once these conditions are catered to and improved. The rational of opportunity cost is at the base of this argument. Poor conditions of employment and poverty reduces the opportunity cost for individuals to be recruited by terrorist organizations as economic returns are considerably low and thus increasing the supply of volunteers and subsequently increasing the intensity of terrorism. The argument of political freedom as a means of lowering terrorism stands true. The more the people are politically repressed the more alternative and illegal means they will find to make their voice heard. Also, the argument that politically transitioning economy faces more terrorism is found applicable for Pakistan. Finally, the study contributes to an ongoing debate on which of the two set of factors are more significant with relation to terrorism by suggesting that socio-economic factors are found to be the primary causes of terrorism for Pakistan.

Keywords : terrorism, socioeconomic conditions, political freedom, distributed lag model, ordinary least square