

Economics or Identity: determinants of terrorism in Iran at subnational level in 2005-2013

Due to a complex debate on the economic and identity factors of terrorism, there is no established consensus on the issue. The present study challenges the problem using the case of Iran in 2005-2013. The study uses Global Terrorism Database and Iranian Statistical collections and tests terrorism factors with negative binomial regression. The main outcome of the research is that Sunni-Shi'a cleavage is an only significant terrorism factor in the models with one-year lag. Other factors such as GRP per capita, income inequality, and ethnic fractionalization turn out to be statistically insignificant. The only exception is share of the Baloch in the province population.

Keywords: Iran, subnational terrorism, economics, identity.

There is a complex discussion in the political science dedicated to the role of identity and economic factors as terrorism predictors. However, the sides' arguments are mostly based on the cross-national level studies. The paper's purpose is to identify how the factors work at subnational level using the example of Iran during the Ahmadinejad Era (2005-13). Concentration on one country makes easier to understand how these terrorism factors really work and to avoid biases connected with data, which is common in cross-national studies. Such research is important because its analysis results allow to see how economic and identity factors of terrorism work in the case of specific country.

Iran have been chosen for the analysis due to the next reasons. Firstly, Iran is a developing country, so it has a bunch of problems, connected with different level of its regions economic development and economics transition. By the Mancur Olson's argument, quick economic growth, which is in Iran, causes shift in the distribution of wealth, which can could enforce grievances of some groups in society¹ Secondly, Iran has long-term identity conflicts. The first one is Iran-Arab conflict, which starts in the Early Medieval, it's informal start is Battle of al-Qādisiyyah of 636 AD, when Arab Muslim army successfully fought with Sasanian Iran. Later it

was continued in the set of local conflicts inside Umayyad and Abbasid Caliphates (645-1258 AD), during Medieval Age to Modern Times, and, finally, in the form of the Iran-Iraq war of 1980-1988². The second one is Iran-Kurd conflict, which is based on Iran suppressive policy against Kurds, and wish of Kurds to create an independent state³. Similarly, there is a long-lasting conflict on the border with Pakistan, in the Iranian Sistan and Balochistan province. Finally, there is a Sunni-Shi'a conflict, which covers up all the previous conflicts, as the majority of Kurds, Baloch, and Arabs are Sunni Muslims, and the most of Iranian population are Shi'a Muslims⁴. The presence of the contradictions allows to see different types of identity in the analysis.

The first part of the article examines theory: economic factors of terrorism, ethnic and religious identity clashes as terrorism determinants. The second one illustrates common trends on terrorism in Iran of 2005-2013. The third part is dedicated to the tests of terrorism explanation models in Iran during the period. Finally, the conclusion sums up the research.

Theory

In the inquiry of economic and ethnic factors of terrorism, there is a set of theoretical relationships between terrorism and the factors. There are separate explanations of the determinants for every factors.

There are two main frameworks for economic factors. The first one is about active economic development, and resource redistribution, connected with the process, created by Mancur Olson. When there is a situation of a dramatic increase of economic growth, one of the consequences of the situation is multiplies poverty and inequality. The situation decreases the possibilities for social mobility for the poor population, and the people are forced to become terrorists for self-realization⁵. The second one is connected with relative deprivation theory, proposed by Ted Gurr. He argues that relative poverty creates social strain, which consequence is a growth of violence due to the frustration, created by the high expectations from the economic growth⁶.

The identity conflict frameworks will be the next: social cleavages theory⁷, from one side, and historical conflicts as predictors of terrorism; the wish of an ethnos to create an own nation-state, which works in the Kurd and Baloch cases; the deep sectarian conflict as a source of violence.

Economic Development and terrorism

As it have been mentioned before, there are two frameworks of terrorism explanation. The first one is connected with economic development and it's constrains, and the second one links to economic deprivation.

However, most of empirical research have been resulted with ambivalent outcomes. While one group of scholars proofs that there is a straight negative connection of terrorist activity and economic development⁸, there is another one, which supports an opposite position⁹.

Besides, there is a set of studies, which found a lack of economic factors impact on terrorism¹⁰. In addition, some country studies on the national level provided controversial results, too: there is no effect of poverty on terrorism in Turkey, and there is a significant positive connection of terrorist activity with economic factors in Pakistan¹¹. However, total majority of the studies approved that there is a positive connection of unemployment rate and income inequality with terrorist attacks.

The puzzle with different outcomes of economic factors effect of terrorism has been resolved by the proposition of a curvilinear dependence of terrorism from economic development. Scholars marked, that there is a growth of terrorism activity to the 8000\$ GDP per capita PPP in international US dollars of 2011¹². The explanation of the finding is that economic growth changes traditional structure of society¹³, which creates significant preliminaries for domestic terrorism¹⁴. Michael Mousseau proposed the explanation of the phenomena by the transit from clientelist to market-based economies¹⁵. This radical shift inside traditional societies changes relationships inside them and increases social grievances, which promote terrorism. However,

there is a decreasing of terrorism after transformation, because of situation in the societies becomes stable, and the wealth growth, too.

Due to Iran crossed the economic development border mentioned above in the end of 1980th¹⁶, there are next hypotheses:

H1: GDP per capita has negative connection with number of terrorist attacks;

H2: Income inequality and unemployment rate have positive connection with number of terrorist attacks.

Identity Conflict and terrorism

Ethnic conflict

There is a common point of view in political violence studies that ethnic heterogeneity is a significant predictor for political turmoil¹⁷. However, there are additional, deeper explanation models for the factor.

The first one is connected with boundaries and grid formation. Joseph Soeters shows on the set of examples how local societies' boundaries create preliminaries for ethnic conflicts in Ireland, Malaysia, Sudan, and so on. He argues this point in the way that grid characteristics and group boundaries affects the intensity of ethnic clashes on the local level, which can develop to the national level. In addition, the geographic distribution of different ethnic groups is an important predictor, too, as there are different logics in the cases of two large groups concentrated in two parts of country, and two large groups, mixed with each other¹⁸. Python, Brandsch, and Tskhay checked this approach in their cross-national study and concluded that ethnic polarization and ethnic fractionalization increase the terrorist attacks intensity¹⁹.

Gleditsch, Polo, Choi, Piazza, and other researchers proposed the implication of the effects on the macro-level. They argue that the main factor is not the heterogeneity as is; the main factor are relationships among the ethnic groups in the society. The studies research an effect of ethnic

inclusion and exclusion in politics and find, that political exclusion provokes terrorism. Addition factor that plays an important role as terrorism predictor is level of democracy in the country²⁰.

However, the approach does not explain all the cases. That is why Brandon Boylan tried to find the answer on the ethnic group level. He investigated that there is a connection between terrorism and ethnic conflict. Despite that, the presence of the ethnic does not provokes violence in different forms itself; there should be other preliminaries like elite conflict and political frustration²¹.

There are some specific features of the Iranian case. The most important one is that Persians, which are the total majority of Iran's population, have explicit conflict only with three ethnic groups of Iran: Kurds, Baloch, and Arabs. There are no apparent clashes with other groups.

It can be explained in a way of long-term historical preliminaries for the conflicts. Kurds are divided ethnic group, they are dispersed on the territory of Iran, Iraq, Turkey, and Syria. Their case is straightly connected with Soviet support of Kurd communists in 1940th and creation of Mahabad Republic in 1946. Despite the fact the Soviet puppet-state existed less than a year, it left a rich heritage. The most important one is a significant number of Kurdish leftist parties, which are in fact terrorist organizations now: *The Democratic Party of Kurdistan in Iran* (PDKI), *The Kurdistan Democratic Party* (KDP), *Komala*, *The Free Life Party of Kurdistan* (PJAK)²². The active wish of Kurds to create its own state on the territory of Iran, Iraq, Syria, and Turkey provokes very suppressive policy against them on the local level. Due to the high level of frustration, their share can be a significant factor of terrorism in Iran²³.

Another specific case is Balochistan insurgency. The conflict background is based on the small representation of the British government before 1947, and the part was de-facto autonomous. After the 1971 events and secession of the present-day Bangladesh, Baloch population wanted to repeat their experience due to unequal distribution of political influence on the level of state²⁴. The central state policy provoked them to start a struggle for the independent Balochistan.

However, Balochi live not only on the Pakistan territory; they compose a total majority of Sistan and Balochistan province in Iran. Due to the fact of the high poverty level in the province and support of the Iranian Baloch by Pakistani Baloch, there is a set of terrorist organizations, which struggle for Balochistan independence in Iran and Pakistan like *Jundallah* and *Harakat al-Ansare Iran*²⁵.

Contradictions, those determine an Iran-Arab conflict are structural; their roots are deep in the history. They form set of cleavages: racial (Aryan and Semite), sectarian (Shi'a and Sunni), ethnic (Arab and Persian), religious (secular and fundamentalist) ones. The presence of the cleavages formed significant preliminaries for conflicts before the Iran-Iraq war of 1980-1988, and after the one²⁶.

Thus, Iran's ethnic policy is repressive, based on the historical preliminaries²⁷. In this way, the represented data allows make next hypotheses:

H3: Ethnic fractionalization has positive connection with number of terrorist attacks

H4: Share of Arabs, Kurds, and Baloch has positive connection with number of terrorist attacks

Sectarian conflict

The cleavage in the terms of belonging to the sect map play a significant role as terrorism predictor, too. As it had been marked by Sheena McGrellis on the example of Northern Ireland, sectarian division provokes violence in the local communities²⁸. Other studies showed that religious identity is an important factor in the Northern Ireland conflict²⁹.

In the case of Middle East at all, there is a set of studies which shows how sectarian cleavage impacts on the growth of violence and terrorism. They argue, that Sunni-Shi'a division is a significant factor of the violence, illustrating it by the Pakistan, Iraq and Syria cases³⁰. The works show that there is a significant role of sectarianism as a terrorism factor.

Furthermore, Shi'a Muslims are a total majority of the Iran's population (89%), and Sunni's are a minority group (~10%). Sunni's also are mostly Arabs, Baloch, and Kurds. In this way, the next hypothesis follows from the information:

H5: Share of Sunni Muslims has positive connection with number of terrorist attacks

Dynamics of terrorism in Iran of 2005-2013

The common terrorism dynamics in Iran during the period cab characterized as rather stable, without acute leaps (see **Figure 1**).



Figure 1. Number of attacks in Iran, 2005-2013³¹.

Nikita Filin marked that the situation in Iran during 2005-2010 was relatively stable and peaceful, if to compare it with the country's neighbors³². The prolongation of the analysis allows to say, that the trend had been continued till 2013, there were only 72 attacks during the period. As it can be seen on the **Figure 1**, there is a tendency on decreasing of terrorism intensity to 2009. It can be explained by the common economic stabilization in Iran during the period. However, there is a terrorism rates growth after 2009, due to there was an electoral fraud during the 10th President Election of Iran. This fraud called mass unrest, which also could be a base for

terrorism increase during the next year. The absence of success of the movement success and repressive state policy strengthening had been led to the decreasing of terrorist activity in the later years³³.

However, more detailed analysis allows to identify specifics of terrorism during the period. The check consists from two main parts: geographical distribution of attacks, and “ideological” distribution of attacks.

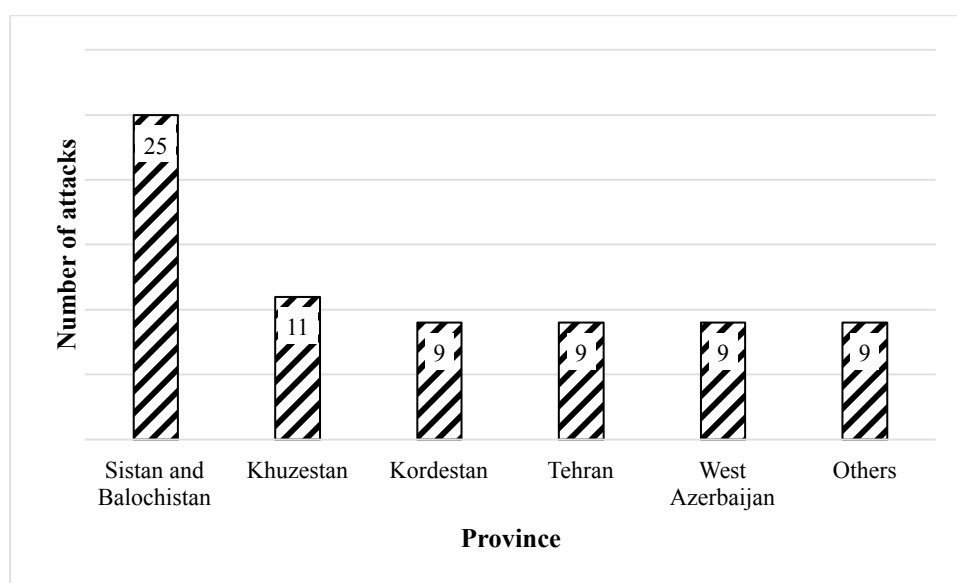


Figure 2. Province distribution of terrorist attacks, Iran, 2005-2013.

The analysis of terrorism in Iran on the province level allows to conclude, that the terrorism in Iran during the period was highly concentrated (see **Figure 2**). The majority of attacks and murders happened in 5 provinces: Sistan and Balochistan, Tehran, Khuzestan, West Azerbaijan and Kordestan, which accumulated 87,5% of terrorists attacks. Such results bear witness to the high aggregation of terrorist activity in the country. These provinces have one common attribute. All the provinces except Tehran belong to the territories with non-Persian Sunni majority. However, Tehran has special status due to it is a capital of Iran.

In addition, there is a very narrow focusing on the circumference of the country. Near 75% of attacks and murders took place in the border provinces: Sistan and Balochistan, Khuzestan and

West Azerbaijan. Such behavior allows to conclude that these regions of Iran somehow attracted terrorists.

There is a very special situation with Sistan and Balochistan. This ostan concentrated 34,7% of attacks during the period. The explanation of the case may go from the continuing conflict on the border of the province connected with the separatist struggle of Baloch. This province also characterized by uncomfortable conditions for life, high poverty and unemployment rate.

There was also a significance allocation presented by Tehran. The region accumulated near 12,5% of attacks and murders, but it is the richest ostan in Iran with the best quality and the highest level of development. This presence of attack can be explained through the capital status of the region and the existence of all the key ministries and powers in the city. Acting in the region making easier for terrorist to be heard by the national government.

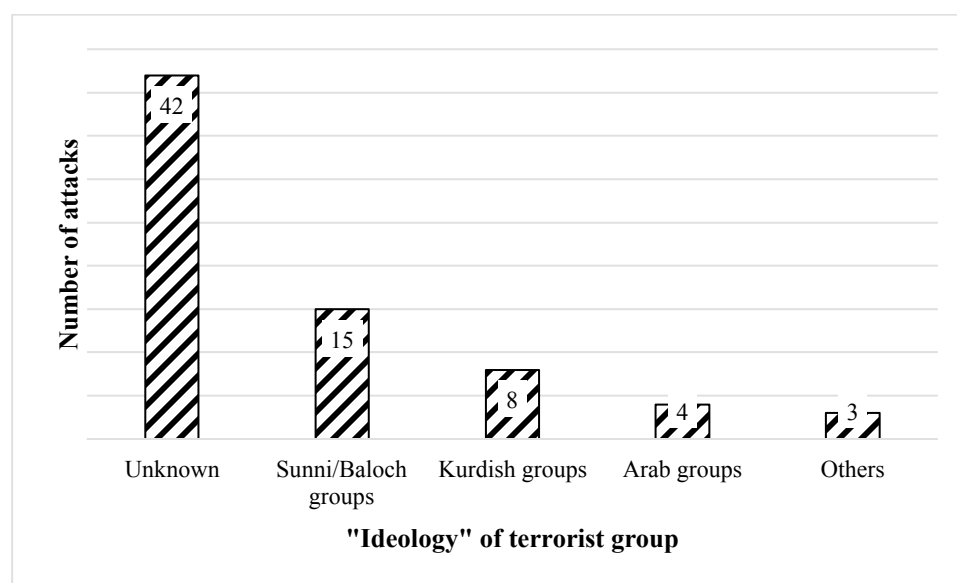


Figure 3. “Ideological” distribution of terrorist attacks by groups, Iran, 2005-2013.

There was also a row of organization who performed these attacks (see **Figure 3**). They can be divided on the next groups: Baloch/Sunni terrorists (*Jundallah* and its disciple *Harakat Ansar Iran*; *Jihadi Movement of the Sunna People of Iran*), Kurdish terrorists (*Kurdistan Free Life*

Party, Kurdistan Freedom Hawks, Kurdistan Worker`s Party), Arab terrorists (*Al-Ahwaz Arab People`s Democratic Front, Arab People Group*), and others.

The distribution allows make evidence that the most active terrorist organization were *Jundallah* and its descendant *Harakat Ansar Iran*, and the Kurdish organization. In addition, it is very important to mark that nobody taken responsibility for the 58% of attacks.

Jundallah and *Harakat Ansar Iran* were the most active terrorist groups in Iran during 2005-2013. These two groups together were responsible for 21% of attacks. Such activity makes evidence about high degree of radicalization of the terrorist organizations. In addition, it can witness about access to qualitative weapon and people who can use it.

The second important claim was significant presence of Kurdish organizations. They were very active during the period. Their contribution to terrorism was near 11%, and it was very much for the comparatively stable period of Ahmadinejad. Their actions asset that despite the large number of groups, only some of them were active.

Besides, there were many attacks without organizations who officially had been responsible for them. The number was 58%. However, they were comparatively non-harmful – only 27% of victims were done by these attacks. Therefore, these attacks could be non-willing for terrorists, as if they wanted to fear population of Iran; they were need to take responsibility for the incidents.

Data and methods

The dependent variable is a number of terrorist attacks. Despite most of the studies use number of attacks as is as dependent variable, there is a bias of the population data in Iran connected with the fact the data was reconstructed. In most of tests on Iran data, the population variable is not significant. Therefore, for the normalization of the dependent variable and decreasing of statistical biases, the number of attacks was divided on the population of provinces and multiplied by 1 mln. The source for the number of attacks is Global Terrorism Database³⁴.

This database uses commonly in terrorism studies as source for data on attacks and terrorist organizations. The definition of terrorism used in the base is the next:

“The threatened or actual use of illegal force and violence by a non-state actor to attain a political, economic, religious, or social goal through fear, coercion, or intimidation³⁵”.

There is a row of sources for dependent variables. Iran Statistical Yearbooks present data on unemployment rate and other socioeconomic indicators³⁶. The data on the urbanization rate had been taken from the National Population and Housing Sample³⁷. Urbanization had been reconstructed, as there are only two points available by the Censuses: 1385 (2006-2007) and 1390 (2011-2012). The using of linear connection³⁸ between the points had relieved the missed data.

Data on the GRP per capita and share of oil in GRP had been taken from the Iran Data Portal³⁹: share of oil in GRP had been counted by the author. Due the absence of the GINI data in Iran on the subnational level, there had been used proxy for the variable: share of oil in GRP. This variable can be used as proxy, despite there is a U-curve connection between the variables, connected with ratio of oil to GDP. The boundary is 10,1%. However, in the case of Iran it works in the way that share of oil increase inequality, as the resource revenue is significant for Iran. Yasmin Nademi explains such situation in the way that in the case of a low share of oil in GDP, it creates new workplaces. Despite that, when the share becomes too large, it creates macroeconomic volatility, which decreases investments, and, consequently, workplaces, which leads to income inequality growth⁴⁰.

The data on the ethnicities share had been taken from the Ethnicity and Religious Services Participation Survey⁴¹: The share of ethnicities had been counted by the author. Due to the survey's data does not touch period of 1384-87 (2005-08), the author used the values of the most

earlier year. In addition, there are some outliers. They had been recounted or as means of the neighbor years, or as the values of the previous year.

The represented ethnicities are Persians, Arabs, Baloch, Kurds, Lurs, Turks, Shomali, and Others. The share of Persians had been excluded from some parts of the analysis, as the ones are titular nation of Iran. The Ethno-Linguistic Fractionalization Index (ELF) had been counted on the same data by the next formula⁴²:

$$ELF = 1 - (Share_{Ethnos_1})^2 - (Share_{Ethnos_2})^2 - \dots - (Share_{Ethnos_n})^2$$

Due to the absence of the sectarian spreading data in Iran on the subnational level, data on the regions' sectarian representation is based on the Izady's Religion Map⁴³. The Iranian provinces had been coded in the next way: 0 – the Sunni province, 1 – the Mixed Religion Province, 2 – the Shi'a province.

In common, the data covers 242 observations by 31 provinces for 8 years.

For the analysis, Negative Binomial Regressions⁴⁴ was used. The method is commonly applies in terrorism studies⁴⁵, as it allows to work with count dependent variable data, characterizing by a large number of zeroes. Because of the model specification and high level of bias, there is no year and country variables used in the research. In addition, a one-year lag had been used for a partial prevention of causality problem.

Empirical results

There are the following models represented in the research (see **Table 1**). *Model 1* covers only economic factors of terrorism, *Model 2* touches upon only Identity factors. *Models 3* connects them and explains all the ones. Sectarian cleavage has been taken from *Model 4* for checking the ethnicity factors as is. *Models 5-12* control economic, religion factors, and every ethnic group consequently, as the groups could be correlated with each other.

The models demonstrate two main results of tests. The first one is that sectarian Sunni-Shi'a cleavage is the most significant factor in all the models. These outcomes support an existing idea about a large role of the cleavage as a terrorism predictor. From other side, the results show a relatively low role of ethnic factors for terrorism in Iran. It is rather strange, as ethnic terrorist groups were the main actors during the period. Only share of Baloch was particularly significant during the period.