



DANISH INSTITUTE FOR INTERNATIONAL STUDIES
STRANDGADE 56 • 1401 COPENHAGEN K • DENMARK
TEL +45 32 69 87 87 • diis@diis.dk • www.diis.dk

**COUNTER RADICALIZATION
DEVELOPMENT ASSISTANCE**

Karin von Hippel

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Danish Institute for International Studies, DIIS

Strandgade 56, DK-1401 Copenhagen, Denmark

Ph: +45 32 69 87 87

Fax: +45 32 69 86 00

E-mails: diis@diis.dk

Web: www.diis.dk

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Countering Radicalisation through Development Assistance

In the spring of 2005 the Danish Ministry of Foreign Affairs called on the Danish Institute for International Studies to undertake a policy study on how to counter radicalisation through development assistance.

Despite growing interest in the field, very little research has yet been conducted. To expand the knowledge base, a number of subject matter experts were identified and asked to produce papers on select topics. Initially, the papers were intended to serve only as background material for the policy study. Due to considerable international interest it has been decided to publish the papers as DIIS working papers, making them available to a broader audience. All papers can be downloaded free of charge from www.diis.dk.

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The papers do not reflect the views of the Danish Ministry of Foreign Affairs or any other government agency, nor do they constitute any official DIIS position. For more information on the policy study, please contact Michael Taarnby Jensen (mtj@diis.dk) or Louise Andersen (lan@diis.dk).

Karin von Hippel is Co-Director of the Post-Conflict Reconstruction Project at the Center for Strategic and International Studies, Washington DC. Previously she was a Senior Research Fellow at the Centre for Defence Studies, King's College London, and spent several years working for the United Nations and the European Union in Somalia and Kosovo. She received her Ph.D. in International Relations from the LSE, her M.St. from Oxford, and her B.A. from Yale University.

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Abstract

The paper reviews current research and practice and recommends strategies for development agencies working in the Arab and Muslim world. It builds on the basic assumption that the realization of the Millennium Development Goals will be vital to reduce support for terrorism in the long term. Within this overall framework, emphasis is placed on particular programs that could be specifically applied to counter radicalization.

Introduction

This paper will review current research and practice, and recommend strategies for development agencies working in the Arab and Muslim world. A basic assumption is that the realization of the Millennium Development Goals (MDGs) should be considered vital to reduce support for terrorism in the long-term. This paper will therefore not go into detail about most of these reforms, based on the understanding that these efforts are already underway, and are complementary. Rather, it will focus only on particular programmes that could be specifically applied to counter radicalization. These programmes will, however, be discussed within a four-part framework, with the addition of the first element mentioned below:

1. *Perceptions.* Improving donor understanding of local perceptions, expectations and priorities.
2. *Governance.* Fighting corruption through improved governance programs, and choosing the right partners.
3. *Rule of Law.* Countering cultures of impunity through legal reforms; isolating terrorists in their environments through community policing; and countering radicalization with prison reforms.
4. *Socio-Economic Conditions.* Understanding Islamic charities; targeting vulnerable youth through educational reform; and facilitating the flow of remittances.

Each area will be considered separately, with a short description of the problem, followed by policy recommendations. First, however, a discussion of the 'enabling environment' is necessary as this underpins the rest of the paper.

The Enabling Environment

In the immediate aftermath of September 11th, US citizens discovered to their horror how negatively they were perceived in the Arab and Muslim world, and not just by the terrorists. Little did they realize at the time, but during the next four years it would only get worse, as al-Qa'ida morphed into what Magnus Ranstorp has described as an 'organization, network and

movement'.¹ This evolution is reflected in recent polling results – in 2004, a team of researchers from the University of Jordan found that al-Qa'ida was viewed as 'a legitimate resistance movement' by around two-thirds of the national samples in Jordan and Palestine, and by 41 per cent in Egypt.² A Pew poll released in July 2005 noted that 'confidence in bin Laden' had decreased in the last two years, but it still hovered at disturbingly high percentages in too many developing states: in Morocco, it was 26 per cent of the public (down from 49 per cent in May 2003), in Indonesia, it was 35 per cent (down from 58 per cent), in Pakistan, the figure was 51 per cent (an increase from 45 per cent in 2003), and in Jordan, it was 60 per cent (also up from 55 per cent).³ The University of Jordan figures, and even the reduced Pew figures should serve as an alarm-call, a warning of just how much work needs to be done to reduce the appeal and influence of Osama bin Laden and al-Qa'ida.

Critically, much of this support comes from what Harvard professor Louise Richardson refers to as the 'enabling environment' or 'complicit society', that is, the potential sympathizers, who may not themselves use violence, but who support the arguments and platforms of the terrorists. This is the wider community that often celebrates and condones the terrorist attack, and they are the people who need to be won over so that they *oppose* terrorism in their communities. Appealing to the 'enabling environment' may be the only way in the long-term to isolate terrorists and end terrorism.

Brendan O'Leary explained, 'Sensible policy targets relations between insurgents and their constituents.'⁴ Recent experience in Northern Ireland, or in Yemen and Greece (although assisted by the British police in the latter two cases), have demonstrated that this strategy works. For example, in April 2005, the sisters of murdered barman Robert McCartney, who had been killed in Northern Ireland in January, launched a successful and peaceful campaign against violence in their own community, which forced Sinn Fein to admit IRA involvement and helped to bring the killers to justice.

¹ Magnus Ranstorp, Research Director, Centre for Asymmetric Threat Studies, Swedish National Defence College.

² Lower figures were found in Syria, at 8%, and Lebanon, at 18%. 'Revisiting the Arab Street Research from Within', Center for Strategic Studies, University of Jordan, Amman – Jordan, February 2005, p.73.

³ 'Islamic Extremism: Common Concern for Muslim and Western Publics: Support for Terror Wanes Among Muslim Publics', Pew Global Attitude Projects, 14 July 2005, <http://pewglobal.org/reports/display.php?ReportID=248>

⁴ From correspondence with Professor Brendan O'Leary, University of Pennsylvania, 29 October 2005.

Even if it is only a one-off event, such as the Irish example noted above, these responses can be symbolically significant and prove to be the 'tipping point', which in turn encourages others to counter violence in their communities. How that environment can be 'infiltrated', tackled, or 'tipped' - albeit with difficulties - will provide the basis for this paper. As noted, the focus on countering radicalization will be approached in four sections, comprising part of a larger development framework.

1 Perceptions and Managing Expectations

- improving donor understanding of local perceptions, expectations and priorities

What is the Problem?

Every year, billions of dollars are spent by donor governments to promote political stability, foster economic security, and in many cases, provide critical humanitarian assistance. Yet, despite this considerable infusion of funds, little is known about the ways that international assistance – whether it be emergency relief, transitional or development activities, or even security-related assistance - is perceived by the ultimate and intended beneficiaries. It is not clear if beneficiaries understand the different types of assistance, or if they distinguish between assistance providers, be they the UN, NGOs, bilateral or multilateral donors, the private sector, or the military. Moreover, rarely do donors ensure that their priorities are aligned with those of the beneficiaries. It is indeed striking that greater efforts are not made to understand the needs of beneficiaries, and the ways that beneficiaries view the motivations and objectives of assistance providers.

Why should Donors care?

There are four reasons why this should be of crucial concern. First, responsible assistance should be guided by a clear understanding of what the effects of receiving help are on the people who receive it. Social psychology has for a long time been interested in how people who receive help view both the help, and the helper. Studies on 'assumptive helping', however, demonstrate that assistance can, in fact, lower the self-esteem of the recipient. This would go against the mantra of development and humanitarian policy, which is concerned with empowerment, ownership and capacity building. Thus, the *process* of aid delivery is of crucial importance. [This will also be discussed in Section 4, on Islamic charities and remittances.]

Second, and directly related, is the question of security for those working in the humanitarian and development fields. All too often, assistance providers are themselves targeted, thus implying that the assumed perception of neutrality and impartiality – particularly of emergency relief - is not universally shared. How donors and their partners are perceived increasingly impacts on the day-to-day realities faced by aid workers and peacekeepers on the ground, and inevitably on the policy planners and decision-makers in donor capitals.

Third, development projects are more likely to provide long-term benefits if aligned closely with beneficiary priorities. A recent study conducted by the RAND Corporation found that aid policies were more likely to be successful when they were: '(1) developed in consultation with community leaders, (2) based on needs assessments that address the specific requirements of targeted communities, and (3) accompanied by disbursement mechanisms that ensure proper fiscal management and nonpartisanship.'⁵

Fourth, the experience of September 11th and subsequent attacks throughout the world underscored how much Americans and their allied publics underestimated the pervasiveness of anti-American - and in many instances - anti-western sentiment. All of a sudden, a large portion of the developed world had to confront the so-called 'anger on the Arab street'. For many in North America and Europe, this was the first time they asked themselves, 'Why do they hate us so much?'

There are many possible answers to such a question. Recent polling results reveal that much of the anger is in fact directed at US foreign policy (and that of several other OECD states), rather than at Americans themselves, or the 'American dream', which remains as popular and sought after today as it was a century ago. What might be the underlying reasons for this perceptual gulf?

One potential answer is the gap between the rhetoric of aid, which creates high expectations. People in developing states read and hear about generous financial support for the impoverished, but rarely see evidence that the money reaches the poor. The failure to deliver adequately and the inability of donors to realize their own publicly stated goals contributes to subsequent disillusionment, often even hostility, and feeds conspiracy theories, particularly when foreign aid workers are living in big houses and driving nice cars in these same developing

⁵ Kim Cragin and Peter Chalk, 'Terrorism and Development: Using Social and Economic Development to Inhibit a Resurgence of Terrorism', RAND publication, 2003, p.7.

states. Aid policies may be well-intentioned, but the politics of donor budgets make them overly ambitious.

Another set of answers might lie in the difficulties of working with recipient governments whose practices might delay assistance, either because of their inability to act as effective partners, or because corruption is so embedded that it makes donor promises impossible to keep. For example, the European Commission estimates that in 2005 it will only be able to spend 30 per cent of funds committed to its 2005 Bangladesh development programme because of local government corruption and lack of accountability.⁶

Endeavours such as ALNAP, Humanitarian Accountability Partnership International, and SPHERE⁷ have made considerable progress in improving accountability of humanitarian aid workers, and numerous evaluations of aid projects have provided some insights into the impact of different types of international assistance. To date, however, there have been no statistically sound surveys of beneficiary perceptions of the broad range of international assistance and assistance providers in developing states. Nor do donors conduct regular surveys of beneficiary priorities. It is therefore essential that donors improve their understanding of how beneficiaries view the intentions, motivations and implementation processes of the donor communities, as well as beneficiary priorities, which in turn will help them improve policy design and implementation.

Policy Recommendation: Managing Expectations

A general policy recommendation for donors should therefore be the execution of regular surveys of beneficiaries, prior to implementing any development projects, particularly in the Arab and Muslim world. These surveys could be used to determine how donors and partners are perceived, and whether the priorities of the latter match with those of the beneficiaries. An improved understanding of beneficiary perceptions of international interventions should assist aid agencies in developing long-term strategies, help them to improve the process of aid delivery, and align their programmes more closely with local priorities.

An important by-product from this study would be the training of local actors in polling and surveying methodology, an extremely important component of democratization. A funda-

⁶ Author interview with EC official, Washington, DC, 18 October 2005.

⁷ For more information, see www.alnap.org; www.hapinternational.org; and www.sphereproject.org.

mental aspect of any democracy is the two-way communication flows between the governed and those who are governing.

Countering Radicalization

Better communication flows between donors and beneficiaries would also help to counter radicalization by reducing the distrust between donors and beneficiaries - directly targeting the 'enabling environment' - and allow beneficiaries to become more directly involved in improving their lives. When donors fail to deliver on their promises, on the other hand, it only feeds the al-Qa'ida publicity machine.

2 Governance

- fighting corruption through improved governance programs, and choosing the right partners

Corruption and Cultures of Impunity

While it is too early to say with certainty, it appears that the al-Qa'ida movement can find a more receptive environment for expanding its reach when the local government is perceived as corrupt by many of its inhabitants, or of favouring one group at the expense of others.⁸ Bin Laden has often excoriated the profligacy of the 'corrupt Saudi state'. He is perceived by many Muslims as one who has sacrificed the opulent lifestyle he was born into, and instead dedicated his own personal wealth to the cause of ordinary Muslims. The Taliban were partly able to take control of most of Afghanistan as they were perceived by ordinary Afghans to be non-corrupt, unlike the many Afghan war-lords who were intermittently controlling most of the country prior to their rule.

The United States is concerned about increasing Islamic extremism in Bangladesh, and incidentally, Bangladesh ranked at the bottom of Transparency International's 2005 Corruption Index. The 400 bombs that went off nearly simultaneously in 63 of the country's 64 districts on 17 August 2005 could be considered one of the most coordinated terrorist attacks in history. It may even be that the popularity of al-Qa'ida in Arab states, as noted in the polling

⁸ See, for example, Dev Raj Dahal, *Nepal: Supporting Peace Processes Through a Systemic Approach*, Study prepared for the Berghof Foundation for Peace Support, September 2005.

results earlier, is based on the perception in these same states that 'administrative and financial corruption... [is more] prevalent in Arab societies than Western societies.'⁹

As Michael Taarnby explained, 'The real danger seems to be closely linked to inept governance, lack of public security, weak rule of law, economic stagnation, institutional corruption and organized crime.'¹⁰ Cultures of impunity are not only potentially more sympathetic to the al-Qa'ida movement, but correspondingly, they make it easier to be penetrated by these same people due to the ease with which local authorities can be bribed in order for illegal goods to transship through territories, for terrorists to find sanctuary, establish bases, and other illicit activities.¹¹

Policy Recommendations: Countering Radicalization

The OECD has recommended that improved governance, 'including financial, security and justice systems... will help prevent support for terrorism.'¹² The OECD recommendation is to 'Reinforce the capacity of the private sector, banking regulators and finance ministries to reduce opportunities for corruption, money laundering, illicit trafficking of drugs, arms, people, and venues for terrorist financing and poor corporate governance.'¹³ Future research could focus on how to improve accountability and transparency in a range of different government models – from the most corrupt and autocratic through to states where the government controls very little outside the capital city.

Beyond tailoring programmes according to the type of government, interventions will need to be designed to maximize on 'what the market will bear'. There may be some instances when a local or national authority can be persuaded to allow external auditors to ensure accountability, as in the World Bank's Chad-Cameroon Petroleum Development and Pipeline Project. This was designed to reduce conflict by instituting mechanisms to ensure that oil revenues are properly

⁹ 'Revisiting the Arab Street Research from Within', Center for Strategic Studies, University of Jordan, Amman – Jordan, February 2005, p.49.

¹⁰ Michael Taarnby, 'Recruitment of Islamist Terrorists in Europe. Trends and Perspectives', Research Report Funded by the Danish Ministry of Justice, 14 January 2005, p.13.

¹¹ See, for example, David Shinn, 'Fighting Terrorism in East Africa and the Horn', *Foreign Service Journal* (September 2004).

¹² 'A Development Co-operation Lens on Terrorism Prevention: Key Entry Points for Action', OECD DAC High Level Meeting, 22-23 April 2003, DCD/DAC(2003)11/REV1, p.5.

¹³ 'A Development Co-operation Lens on Terrorism Prevention: Key Entry Points for Action', OECD DAC High Level Meeting, 22-23 April 2003, DCD/DAC(2003)11/REV1, p.5.

accounted for and used for development projects, benefiting both countries. Other possibilities include encouragement of the local media to monitor openly donor contributions and how they are spent. On the other hand, more creative options will need to be developed for states that will not allow such interference.

Nation-Building

On a more macro level, it is also important to try to rebuild government capacity in all weak states in order to prevent such penetration. As noted, most weak and fragile states are at risk for transshipment activity and for providing sanctuary to some terrorists - a 2003 Report of the Panel of Experts on Somalia to the Security Council described how Somalia not only harboured some of the terrorists who carried out attacks in Mombassa, but also how the territory was used to smuggle weapons into Kenya. The Al-Qa'ida network was allegedly heavily involved in the diamond trade in West Africa, according to Douglas Farah.¹⁴

While the al-Qa'ida network has also penetrated western societies, at least in Minneapolis, London, Hamburg or Toronto, they leave behind a paper trail, whereas in weak states it is far more difficult to ascertain their movements and activities. All bilateral and multilateral policy papers recognize the need to strengthen governance and security sectors in these places. For example, the US *National Strategy for Combating Terrorism* (February 2003) declared, 'we will ensure that efforts designed to identify and diminish conditions contributing to state weakness and failure are a central US foreign policy goal. The principal objective... will be the rebuilding of a state that can look after its own people.'¹⁵

On closer inspection it becomes apparent that, unfortunately, too little has been done by all donors since September 11th to rebuild weak and collapsed states around the world. If one looked at the most egregious example of state collapse, and one in which very real fears exist about terrorist penetration - that is, Somalia - and then determine what kind of governance assistance has been evident since that report was published, it is obvious that this strategy has not been taken very seriously. The amount being spent in Somalia by OECD states over the past four years hovers at approximately \$100 million (or less) per year, with the bulk of funds

¹⁴ See Douglas Farah, *Blood from Stones: The Secret Financial Network of Terror*, Broadway Books, New York, 2004.

¹⁵ *National Strategy for Combating Terrorism*, *op. cit.*, p.23.

dedicated to humanitarian programmes. This can be contrasted with the estimated \$500 million to \$1 billion in remittances sent by Somalis in the diaspora to Somalia.¹⁶

Choosing the Right Partners

Finally, a short discussion of practical considerations to bear in mind for any type of governance work is necessary, as this will directly impact efforts to counter radicalization. There are three dilemmas that should be considered prior to policy implementation.

The first concerns the choice over whether to support civil society organizations directly, or to channel aid through national government offices, as most donors typically do because of their conditionality factors. Direct support to civil society organizations can risk undermining a nascent government, as it empowers others at the expense of elected authorities. At the same time, if donors work only with government authorities, they risk destabilizing civil society and empowering only elites, while marginalising further rural communities and opposition groups.

Second, and related, if donors openly support local non-governmental and civil society organizations in certain societies, it could destroy the credibility of these organizations within their communities because they are seen to be working with the 'infidels'. Even if many of these organizations are keen to cooperate with western development organizations, they may be worried they will be perceived in a negative light in their own communities. In such cases, when these groups are determined to be the most appropriate to support and in need of extra strength to challenge the more extremists in their communities, more subtle means of assistance should be found so that they can receive the necessary support.

The third dilemma concerns the so-called 'moderate Islamic organizations'. There have been cases when donors lack reliable information about local organizations, and are persuaded by so-called 'moderate' voices to support certain groups, which may in fact be promoting a more radical agenda. There are examples from developing states and also from Europe, where European governments have been supporting what they believe to be moderate Islamic groups, only to find out later that these groups have a more extremist agenda. Too many extremist leaders have learned the vocabulary that western donors want to hear. As Alison Pargeter explained,

¹⁶ For more information, see Mark Bradbury, Karin von Hippel and Randolph Kent, 'Social Facilitation, Development and the Diaspora: A Study for USAID on Sustainable Health Services', November 2004.

There is also a tendency among certain moderates to ... reject western values and cultural practice that they feel are corrupting and tainting influences. Therefore, despite their public promotion of tolerance, the teachings of some of the more moderate elements in Europe's Islamic organizations and mosques may be sufficiently ambiguous to allow space for more extreme interpretations to be considered acceptable or to go unchallenged.¹⁷

While her example is based on European experience, a similar logic would pertain to support for 'moderates' in developing states.

A different twist on this argument is that even if donors (or police or western governments) have established strong relations with moderate Muslim leaders (whether in developing states or in Europe and North America), this is irrelevant, since mainstream Muslim leaders are not linked to the extremist elements. Indeed, many are completely out of touch with the younger members of their particular community. Thus, it has been argued, it is a waste of time improving relations with these leaders: how can they persuade people with whom they are themselves not in contact?

The opposing argument is that if serious efforts are made internally by Muslim leaders to find the more extremist elements in their communities, attempt to listen to their grievances, and generally try to counter their feelings of exclusion and alienation, these interventions would be more likely to succeed than those made by non-Muslims. For all such programmes, development staff need to consult widely with local area experts, regularly collect and assess information about community leaders who would promote peaceful and democratic policies, and formulate subtle means of supporting them within their own communities. Donors and partners can also improve their understanding of local actors through improved linkages with intelligence personnel, as unpopular as that may be for some development personnel.

¹⁷ Alison Pargeter, 'North African Immigrants in Europe and Political Violence', unpublished manuscript, 2005.

3 Rule of Law

- countering cultures of impunity through legal reforms; isolating terrorists in their environments through community policing, and countering radicalization with prison reforms.

Financial and administrative corruption creates a culture of impunity, which in turn can trigger support for terrorist groups. General governance reforms, as discussed in section 2, can help to root transparency and accountability into public institutions. These changes, by definition, need to be underpinned by rule of law reforms. A strong rule of law reform package should therefore be considered a priority in countries where corruption is endemic and where there are legitimate fears about a growth in terrorism and support for terrorism. This type of reform will not be addressed here in detail, however, given that there already exists a wealth of information and several excellent organizations performing this work in the field.¹⁸ Instead, this section will focus on two additional reforms that would fall under the larger 'rule of law' rubric, which could make a significant impact in terms of tackling the 'enabling environment': community policing and prison reform.

1. COMMUNITY POLICING

Community policing can help isolate terrorists within their environments, and push insurgents away from their support base. Community policing includes public awareness campaigns, which explain to local constituencies how terrorists also target ordinary civilians. When applied successfully, these campaigns can help erode the tacit support for terrorists amongst the population, and thereby elicit public assistance in tracking down terrorists. If applied appropriately, they can even, on occasion, prevent attacks.

Based on experience in Northern Ireland, the UK police, for example, have successfully utilized their 'policing by consent' methodology, together with the Greek security services, to eliminate the *November 17* terror group. A similar strategy was used by the UK police in Yemen, which helped the Yemeni authorities arrest key figures involved in the bombing of the *USS Cole*. The UK methodology was revamped after the Stephen Lawrence affair, which

¹⁸ Organizations such as UNDP, USAID, and the World Bank work in this area. An additional excellent programme is the American Bar Association's Central European and Eurasian Law Initiative (CEELI), which supports legal reform in Central and Eastern Europe, Eurasia and the Middle East.

damaged police credibility among minority groups.¹⁹ Subsequently, the police bolstered efforts in all minority communities to counter the negative impact, which also served to help the counter-terrorist campaign. For example, months before the war in Iraq, the UK police were talking to leaders of Britain's Muslim communities to ensure that a two-way information flow and general good relations would be maintained in the event of a war.

Preferably, these campaigns should occur when terrorists make a mistake - one of the many disagreements within and between the loose affiliation of networked groups that comprise the larger al-Qa'ida movement is over the killing of civilians, and in particular, Muslim civilians. In almost every attack that has taken place since the attacks on the US embassies in Africa in August 1998 by al-Qa'ida or its affiliates, large numbers of Muslim civilians have been victims. Further, some groups may have no contact whatsoever with al-Qa'ida, but may have been inspired by successful attacks elsewhere, and may be more grounded in local grievances. Public awareness campaigns should therefore be designed to have surge capacity, so that they can exploit such schisms, whether they are based on national or international grievances. By definition, this type of work will require very good local knowledge.

Policy Recommendation: Applying UK Police Methodology²⁰

A prototype training programme could be developed, based on the UK model (and other countries which utilize a similar methodology, such as Canada), for use in certain countries with large Muslim populations. Such a project would adapt the community policing methodology to the local needs and customs, and could be piloted in countries such as Indonesia, Morocco, Egypt, Tunisia, and Pakistan. Indonesia, for example, recently listed greater involvement of communities in counter-terrorism as a core component of its fight.

Such a programme would comprise part of a larger security sector reform package, with small teams of police deployed to these countries to work with the local security authorities. The modalities of adapting current policing practice as well as how the authorities in the selected countries would be approached would all obviously have to be conducted with care.

¹⁹ Stephen Lawrence was a young black teenager who was brutally murdered in 1993 by five white youths. It was a racially motivated murder, which was poorly handled by the UK police, and created an enormous rift between the police and the minority communities in the UK.

²⁰ Author interviews with Metropolitan police officers, various, 2004 - 2005, London.

Countering Radicalization

As part of a larger EU counter-terrorist strategy to tackle root causes, community policing would help erode local support for Islamic extremist terrorism. In addition, it would achieve a further important goal: it would help these countries develop more accountable and transparent counter-terrorism policing programmes (given that police typically have primacy when terrorist attacks take place). Accordingly, this would reduce the mistrust between the police and their communities, where police in some notable instances are well-known for committing human rights abuses.

2. RADICALIZATION IN PRISONS

Many terrorists were radicalized in prisons – in both North and South. Several notable al-Qa'ida members and those belonging to networked affiliates turned extremist in UK and US prisons – Richard Reid the 'Shoe Bomber' and Jose Padilla respectively. Osama bin Laden's deputy, Ayman al-Zawahiri was radicalized in an Egyptian prison.

The US Department of Justice recently reported that, 'safeguards against religious extremism in [US] federal prisons are still remarkably lax. No national Islamic organization is currently authorized by the Bureau of Prisons to approve new Muslim chaplains, which has led to an acute clerical shortage... this gap is being filled by inmate-led prayer sessions – and inmates... [who]... are likely to radicalize their fellow prisoners.'²¹ France has had similar experiences in its prisons. Many policy makers are aware that this is occurring, yet methods to counter it are inchoate and have not been adequately tested, nor have they been compared extensively enough with experience in other countries.

In the South, the issue is even more difficult to confront, given that prisons in many developing states are notorious for poor conditions, and often appalling human rights abuses by officials. Yet it should be possible to include prison reform policies in development packages that focus on the security sector, with a primary focus on methods of countering radicalization. This is an area that would require further study, though there are experienced researchers who have interviewed terrorists in a number of prisons in Israel, France, the United States, the United Kingdom, and other countries who could be brought together to discuss commonalities and potential reforms. Canadian prison experts have also been deployed to a number of

²¹ *A Review of the Federal Bureau of Prisons' Selection of Muslim Religious Providers*, Department of Justice, Office of the Inspector General, April 2004, as cited in *The Atlantic Monthly*, September 2004, p.48.

peacekeeping missions, such as Kosovo and Bosnia, due to their expertise in prison reform methodology. Thus, a first step could be to gather expert researchers and prison reform practitioners in an attempt to develop approaches that could be utilized in developing (and potentially, industrialized) states.

4 Socio-Economic Conditions

- understanding Islamic charities; targeting vulnerable youth through educational reform; and facilitating the flow of remittances.

Terrorism and Poverty: What are the Links?

Just after September 11th, a number of world leaders, including President Bush, connected terrorism with poverty. And while conventional wisdom would argue in favour of establishing a direct correlation, the evidence gathered thus far does not support this proposition.²² Indeed, if poverty really were the root cause of terrorism, terrorists would mostly come from the poorest parts of the world, namely sub-Saharan Africa. Thus far, this is not the case.

Yet, even if many terrorists, and their leaders, are neither poor nor uneducated, they tend to use the plight of the poor as one justification for committing violence, and for broadening their appeal. They often claim to speak on behalf of the poor, just as other middle-class, well-educated ideologues have done in the past. This allows them to broaden their constituency to include many of the poor and marginalized communities throughout the world. And they build and maintain their support amongst the poor through a number of means, such as Islamic charities, which fund extremist *madrasas*, build mosques, assist families of suicide bombers, and provide other social support mechanisms. Critically, these indoctrination strategies take a long-term perspective, and typically blend with the local culture, not just because charity (*Zakat*) is one of the basic tenets of Islam, but because Islamic law also dictates that it should be given in a way that does not humiliate the receiver.

At the most basic level, it is often simply the dearth of western international support that makes some developing states vulnerable and susceptible to terrorist ideology. The sad and

²² See, for example, Alan B. Krueger and Jitka Maleckova, 'Education, Poverty, Political Violence and Terrorism: Is There a Causal Connection?' Working Papers, Research Program in Development Studies, Woodrow Wilson School, Princeton University (May 2002).

very basic fact is that the extremist charities get very little competition from OECD donors in many fragile and weak states, especially the 'poor performers'. The religious appeal may not be overwhelming for many families, but the lack of alternatives for schooling or health care fuels the growth of the movement. In Somalia, for example, because western international assistance is not significant in scale, the influence of these Islamic movements has increased. As an ICG report recently explained, the fundamentalist movements inside Somalia 'owe their rapid growth since 1990 less to genuine popularity than access to substantial external funding.'²³

Therefore, it could well be argued that a serious effort to fulfil the Millennium Development Goals, as well as being the right thing to do, is essential in order to remove one of the platforms commonly used by terrorists. There is also evidence from a Rand Corporation study that 'social and economic development can inhibit a resurgence to terrorism', though it will not eliminate it entirely.²⁴

Beyond these general recommendations, however, specific reforms can also begin to provide the al-Qa'ida movement with some direct competition, thereby driving a wedge between the terrorists and their constituencies (i.e., the 'enabling environment'). There is evidence that this strategy works: the impressive US military response to the Asian Tsunami seems to have made an enormous impact on a whole generation of Muslims, and made bin Laden's appeal at the time seem hollow by comparison. Beyond his rhetoric, he was offering nothing.

The remainder of this section will focus on three areas where reforms would make a significant impact in countering radicalization: 1) Understanding Islamic charities; 2) providing educational reform; and 3) facilitating remittances.

1. ISLAMIC CHARITABLE ASSISTANCE

Islamic assistance is not a new phenomenon, but international efforts to understand its impact and scope are only at a preliminary stage. Islamic charities rarely coordinate with OECD-donors and their implementing partners (mostly international NGOs), and their activities are almost never included in needs assessments by those same organizations. In addition, Arab states that fund charities in Muslim countries rarely inform western coordinating bodies of

²³ 'Somalia: Countering Terrorism in a Failed State,' ICG Africa Report 45 (23 May 2002), p.13.

²⁴ Kim Cragin and Peter Chalk, 'Terrorism and Development: Using Social and Economic Development to Inhibit a Resurgence of Terrorism', RAND publication, 2003, p.7.

their contributions. Similarly, the charities themselves are circumspect about their financing, though many admit to receiving assistance from Arab states.²⁵

Aggregate figures are not available for funding spent by these charities, but estimates place the total distributed, largely contributed by wealthy Saudi and other Gulf Arab individuals, in the hundreds of billions of dollars.²⁶ This money has gone to poor Muslim states over the past four to five decades to fund schools, hospitals, Mosques and other social welfare activities. In some notable instances, such as Afghanistan, Bosnia and Chechnya, the money has also been used to support civil conflicts.

A distinction needs to be drawn here between some Islamic charities, such as the Aga Khan Foundation, which provides critical humanitarian and development assistance in neglected rural and urban areas, and others that promote a radical agenda with their aid. It is important, therefore, to improve the current understanding of how these charities operate, as well as the extremist advocacy and anti-western sentiment that is channelled through their networks.

There is also an argument put forth that, in many respects, the work of Islamic NGOs appears to be more closely aligned with local needs, primarily because of a common religious and often cultural heritage, and because they work in a more discreet fashion in line with Islamic law. In addition, these organizations appear to be less burdened with the security rules of international organizations, which often interrupt long-term stays by western expatriate staff in insecure countries and conflict zones, such as Sudan, Somalia or Afghanistan. Accordingly, the greater field presence of the Islamic charities gives them a better understanding of the evolving situation on the ground, and helps to build trust with local communities. For these reasons, it has been argued that they are more successful than western charities in capacity

²⁵ See, for example, Andre LeSage, *The Rise of Islamic Charities in Somalia: An Assessment of Impact and Agendas - Final Draft*, Presented to the 45th Annual International Studies Association Convention, Montreal, 17 – 20 March 2004,

²⁶ See, for example, 'Terrorist Financing: Report of an Independent Task Force', sponsored by the Council on Foreign Relations, Maurice R. Greenberg, Chair, William F. Wechsler and Lee S. Wolosky, Project Co-Directors, 2002.

building and in developing sustainable social services (see also discussion in Section 1 above, with reference to 'assumptive helping').²⁷

Islamic political parties and charities are also generally perceived as being non-corrupt, and are better at filling political vacuums than western organizations, particularly in emergencies. For example, some of the known extreme Islamic charities have been providing a more robust response to the Pakistani earthquake, such as Jamaat ul-Dawa, the parent organization of Lashkar-i-Taiba, one of the groups fighting in Kashmir.²⁸

Policy Recommendations: Countering Radicalization

Very little effort has been made by OECD donors to work with the Islamic charities in a substantive manner, although this is publicly acknowledged to be a problem. Donors and implementing partners rarely talk to employees of these charities, and very few participate in development and humanitarian coordination bodies. It seems self-evident that a first step should be to extend every effort to try to include Islamic NGOs in all international coordinating bodies. Currently the work of these NGOs occurs in parallel to those sponsored by OECD states. At the very least, discussion should be promoted and information exchanged with Islamic NGOs in order to prevent overlap and duplication, improve needs assessments, and importantly, enhance the lives of the poor.

Some NGOs might refuse to have any contact with 'infidel' organizations, though it is likely that many would be amenable. The more contact OECD donors have with Islamic charities, the more they will learn about the working practices of even the more extreme ones. Certainly a degree of humility should also be displayed by western organizations, as they may be able to improve their own practices through closer cooperation with some of these charities.

What is clear is that more research needs to be done to improve the understanding at the OECD level of who these actors are, the type of work they do, and how they are funded. If these organizations are going to be given some competition, OECD donors need to formulate new means for working in dangerous environments, and develop better interventions for

²⁷ For research on Somalia, see Andre LeSage, 'The Rise of Islamic Charities in Somalia: An Assessment of Impact and Agendas - Final Draft', Presented to the 45th Annual International Studies Association Convention, Montreal, 17 – 20 March 2004, p.13.

²⁸ John Lancaster and Kamran Khan, 'Extremists Fill Aid Chasm After Quake: Group Banned in Pakistan Dispenses Relief', *The Washington Post*, 16 October 2005, p.A19.

'poor performers'. Finally, western aid agencies may also consider utilising more discreet delivery mechanisms in countries with Muslim populations, as an additional means to avoid humiliation.

Practical Considerations: Christian NGOs

It must also be pointed out here that it is not just the extreme Islamic groups that utilize this method of influence: Christian fundamentalist organizations in the United States, for example, have been supporting certain sides in conflicts that are perceived as threatening to Christianity, with southern Sudan being the most obvious example. President Bush has been openly supporting the southern Sudanese in this long-standing conflict, primarily due to the influence of the Christian fundamentalist lobby.

Therefore, an additional policy recommendation should be for OECD donors to develop more sensitive guidelines for how Christian NGOs can work in Muslim societies, and encourage Christian NGOs to abide by common operating frameworks. Just as some Islamic NGOs provide critical relief in neglected areas, so too do many Church groups. Yet greater care needs to be taken concerning the message they may inadvertently be sending. Nor should they be allowed to escape scrutiny, given that some also have a more radical agenda.

2. EDUCATION

A further complicating factor in the poverty debate is the question of education. In many poor countries with Muslim populations, such as Bangladesh, Somalia or Pakistan, poor parents send their children to *madrassas* because they are heavily subsidized or free of charge. In addition to free tuition, children also receive food, clothing and books, at no cost to the family. In Pakistan alone, according to a revised ICG report, over one and a half million children attend *madrassas*.²⁹

It has become apparent, however, that children who attend the more radicalized *madrassas* are taught a violent world view and to despise 'corrupting western influences' from an early age. For example, Craig Davis, who was researching Afghan education, found this example from a 4th grade math puzzle: "The speed of a Kalashnikov bullet is 800 meters per second. If a Russian is at a distance of 3200 meters from a *mujahid*, and that *mujahid* aims at the Russian's

²⁹ 'Pakistan: Madrasas, Extremism and the Military', ICG Asia Report 36, International Crisis Group, Brussels, 29 July 2002, p.i.

head, calculate how many seconds it will take for the bullet to strike the Russian in the forehead?' These violent examples were supposedly edited out of the textbooks in 1992, but during Davis's field research, he found that the unedited versions were still in use in 1999 and 2000 amongst Afghan refugees in Pakistan and also in Afghanistan. He concluded that a major theme of these textbooks, for grades one through six, was the promotion of violence for the sake of Islam.³⁰

In fact, today, in many of the radicalized *madrasas*, the children are no longer taught as much math or science even as just described. Instead, according to Ali Riaz, 'Children are taught that Muslims all around the world, especially in Pakistan – a country which has been created as the home of the Muslims – are under siege from sinister forces which they must fight to the death.'³¹

It is primarily in the Indian sub-continent (India, Pakistan and Bangladesh) where these schools have been used to promote a political agenda – unlike in the Arab world where they do not play such a role (most of the Muslim Brotherhood movement emerged from the secular universities in Egypt).³² Increasingly, Indonesia is resembling the Indian sub-continent model, rather than the Arab one, as are parts of East and West Africa.

Not all *madrasas* have an extremist agenda, and many also teach secular subjects. Further, it should be pointed out that very few of these students will become terrorists. At the same time, it would be safe to say that those who attend the radical schools gain few practical skills to prepare them for working in modern society.³³ Thus, they will likely fill that space defined as the 'enabling environment'.

An estimated 30 per cent of the Taliban - the hosts for al-Qa'ida - were educated in extremist *madrasas*, yet many of the known al-Qa'ida terrorists themselves, such as those who committed the September 11th attacks, were not, and instead had advanced scientific and technical degrees, and were educated in Europe and North America. As Alison Pargeter explained, 'Since

³⁰ Craig Davis, "'A" is for Alla, "J" is for Jihad', *World Policy Journal*, Spring 2002, p.90.

³¹ Ali Riaz, 'Global Jihad, Sectarianism and the Madrassahs in Pakistan', Institute of Defence and Strategic Studies, Working Paper 85, Singapore, August 2005, p.20.

³² Uzma Anzar, 'Islamic Education: A Brief History of Madrassas with Comments on Curricula and Current Pedagogical Practices.' Washington: World Bank (March 2003), pp.17-18.

³³ See Jessica Stern, 'Meeting with the Muj', *Bulletin of the Atomic Scientists* 57:1, January/February 2001, pp.42-51.

the 1980s scientific and engineering faculties and unions have increasingly been the domain of the Islamists in the Arab world and coming from a scientific background does not necessarily signify a secular outlook.’³⁴

Policy Recommendations: Countering Radicalization

These discrepancies point to the need to tailor reforms depending on the particularities of each place. For example, support for quality public education could be one way of attacking root causes in some parts of the world where poor parents have no other choice but the *madrasa* system. Indeed, donors are experimenting with educational reform in some of these countries. USAID has committed \$100 million over a five year period for educational reform in Pakistan, although most of the funds appear to be dedicated to building new schools. A different approach is being adopted by the European Commission, which is attempting to work with the Pakistani *madrasa* system.³⁵ Both approaches have their drawbacks and benefits, though perhaps initially, attempts should be made to work with existing educational institutions, and encourage them to expand their curricula, rather than build new schools.

One educational expert, who recommended this approach for the EC in Pakistan, explained,

it is important to note that most maktab and madaris leaders, whilst operating in an enclosed and isolated community, do work for the betterment of the community in the light of their religious beliefs. Due to inadequate education and limited contact with the outside world these beliefs may be distorted but the invitation to join the development community can have positive results. They remain a huge untapped source of manpower and funding for educational and development work.³⁶

Expanding curricula may not always be possible, however. Uzma Anzar found in his discussions with heads of Pakistani *madrasas* that even when they tried to introduce secular

³⁴ Alison Pargeter, ‘North African Immigrants in Europe and Political Violence’, unpublished manuscript, 2005.

³⁵ As noted in Brigid Smith, ‘Review of Primary Education in Pakistan During Last 10 Years; Madrassah Schooling: Potential for Growth’, Consultancy to European Commission: Pakistan, ARCADIS BMB and EUROCONSULT, Pakistan, April 2002, p.8, para VI. See also ‘Pakistan: Madrasas, Extremism and the Military’, ICG Asia Report 36, International Crisis Group, Brussels, 29 July 2002.

³⁶ Brigid Smith, ‘Review of Primary Education in Pakistan During Last 10 Years; Madrassah Schooling: Potential for Growth’, Consultancy to European Commission: Pakistan, ARCADIS BMB and EUROCONSULT, Pakistan, April 2002, p.8.

subjects in schools, they were forbidden by their Kuwaiti and Saudi funders from doing so.³⁷ Initial efforts should at least be made in order to ascertain how receptive school heads are to external influences. At the very least, as mentioned earlier, these schools should be given some competition in the same region. In other words, poor parents should have the choice of whether to send their children to a publicly funded, preferably secular school, or a *madrasa*. Given the choice, and armed with an understanding of the skills that will be learned at a public school, most parents will choose the former option.

Despite these efforts, OECD donors still have not committed to a comprehensive and well-funded educational reform package, which would tackle this problem as required. Nor has the Pakistani government made good on its promises to rein in the curricula of these *madrasas*, as President Musharaf promised to do so in January 2002.³⁸

Related Concerns: Alienated, disaffected and/or unemployed youth

Beyond the focus on the children who are currently enrolled in these schools, reforms should also consider more innovative ways of dealing with the millions of children who have already gone through this system, one that began to expand significantly during the 1970s.³⁹ Policy measures focused on these 'graduates' have not even been considered. And yet they, along with other youth bulges in many developing states, form the backbone of the constituencies that provide succour to terrorists. The University of Jordan poll found 'Negative sentiments are particularly strong among youth and non-elites, who disapprove of US policies, are sceptical of American intentions in the region, and are most likely to reject strengthened bilateral ties. Given the demographic trends in the region, whereby 50% of the population is less than 25 years of age, there is little reason to believe that these attitudes will dissipate without changes in US foreign policy.'⁴⁰ Not only do they have negative views of the 'West', but they also are often unable to find employment in many developing states.

³⁷ Uzma Anzar, 'Islamic Education: A Brief History of Madrassas with Comments on Curricula and Current Pedagogical Practices.' Washington: World Bank (March 2003), p.19.

³⁸ 'Hating, Writing, and Arithmetic', Robert Templar, Director, Asia Program, ICG, Letter to *Foreign Policy*, July/August 2005, p.9.

³⁹ *Ibid*, See also, Uzma Anzar, 'Islamic Education: A Brief History of Madrassas with Comments on Curricula and Current Pedagogical Practices.' Washington: World Bank (March 2003).

⁴⁰ 'Revisiting the Arab Street Research from Within', Center for Strategic Studies, University of Jordan, Amman – Jordan, February 2005, pp.10-11.

In both North and South, adolescent boys are typically the age group of concern for police, and particularly vulnerable for recruitment. Early interventions can be an important element in a counter-terrorist (and counter-radicalization) strategy. Whether it takes the shape of curriculum reform, more creative use of the media, expansion of after-school extracurricular activities, or even of regular discussions in schools with respected community leaders, more lateral thinking is needed to engage this group.

3. REMITTANCES

Only in the last few years has the remittance phenomenon received the sustained international attention it deserves. In 2004, the G8 put remittances on its agenda⁴¹, and together with the World Bank and IMF, along with a number of donors, these groups and organizations are focusing on their development potential. Moreover, informal remittance transfer systems have also been receiving attention, though mostly negative, as governments attempt to comply with the regulations imposed by the Financial Action Task Force (FATF) to prevent money laundering and terrorist financing.

The impact of remittances on developing states is indeed significant. In 2000, remittances from abroad comprised more than 10 per cent of the GDP of a number of developing countries.⁴² In 2003, migrants sent close to \$100 billion to developing countries, while experts reckon that 'informal and under-reported flows suggest the actual figure may be two or three times as high'.⁴³ Nevertheless, even the formal figures represent a large percentage of international financial flows, and far outweigh Official Development Assistance (ODA). Some researchers estimate that they may even approximate half of foreign direct investment.⁴⁴

Remittances provide a vital lifeline to poor families in home countries. Funds remitted are used primarily for daily subsistence, but they are also used for loan repayment and invest-

⁴¹ See G8 Action Plan: Applying The Power Of Entrepreneurship To The Eradication Of Poverty, 2004 Summit, Georgia, United States, on <http://www.g8usa.gov/home.html>, accessed on 1 September 2004.

⁴² 'The Development Dimensions of Migrant Transfers', Ninna Nyberg Sørensen, Danish Institute for International Studies, November 2003, p.1.

⁴³ *AMAP Newsletter*, August 2004, 1:1, p.2. See also 'Migrant Remittances To Developing Countries - A Scoping Study: Overview And Introduction To Issues For Pro-Poor Financial Services', Prepared For The UK Department of International Development (DFID) By Cerstin Sander, Bannock Consulting, June 2003, p.4.

⁴⁴ 'Migrant Remittances: Country of Origin Experiences – Strategies, Policies, Challenges, and Concerns', International Migration Policy Programme, at DFID conference, 9-10 October 2003, p.4.

ments, and in some instances, collective remittances are used for development projects. The potential of collective remittances is also critical for capital investment purposes and for foreign exchange reserves in developing states. The general pattern is that money is sent from developed to developing states, but often flows go from neighboring states or even within a state. Typically they are received in urban rather than rural areas, though the spill-over from the urban often reaches rural relatives. In general, these flows are more stable than other types of capital flows, and in times of crises at home, they tend to increase. Remitters are typically low-wage earners, who tend to send a large percentage of their income home. Even prisoners have even been known to remit a portion of their very meager prison earnings to their families.⁴⁵

The global average transaction is estimated at \$250 – which is sent on a monthly basis from financial institutions or money transfer companies – the latter can be any type of small business, such as a corner grocery store or an internet café. The US banks' share of remittance transfer business is extremely small, with the bulk of their services dedicated to Mexico. Money transfer services such as Western Union are also popular, as are the informal *hawala*⁴⁶ shops. At the receiving end, there is also a mix of formal and informal institutions, and often the latter act as banks through extension of micro-credit and other forms of loans. Both the informal and the formal transfer services can be found in host and home countries, and interact with each other regularly. While the cash itself rarely moves, a number of creative accounting practices are used to ensure that the flow continues in each direction.

⁴⁵ Foreign drug couriers who are arrested in the UK have reportedly sent money back home. According to *The Economist*, 'Drug couriers tend to come from needy families – that is why they agree to carry mysterious packages into Britain – and if the breadwinner is in prison, the need must be met from there. So a steady stream of remittances flows from Wormwood Scrubs to poor countries. The same is true even of stingy establishments such as Holloway, a women's prison in London, where wages can be as low as £7 per week.' *Economist*, 8 May 2004, p.35.

⁴⁶ This is one of the many terms used to describe the informal remittance companies.

Policy Recommendations: Countering Radicalization

Despite the efforts of some donors and international institutions to focus on the development impact of remittances,⁴⁷ albeit belatedly, it is not clear that their planning and programmes have been altered to the extent necessary to take account these vast flows of funds. As Colin Powell recently remarked about remittances, 'there is no effective multilateral mechanism in the world today to handle these issues'⁴⁸ Such accounting would make maximum use of declining ODA, and help to ensure that funds go where they are most needed.

The most sustained attention to remittances has in fact been focused on the negative aspect and potential contribution that informal remittance transfer systems allegedly make to terrorist financing. Thus, whenever the US government has shut down a remittance house, as it has done on a number of occasions since September 11th, rarely is this accompanied by a concomitant attempt to ensure that the families dependent on these financial flows are compensated through other means. By ignoring the spill-over effect, this only creates more 'anti-western' and in particular, 'anti-American' sentiment (the 'enabling environment', again), while new remittance houses inevitably spring up within days to cope with the surge in demand.

The goal should be to help money transfer companies (the formal name for the *hawalas*) become more transparent. While there may be some companies that channel funds to terrorists, and use complicated codes to hide their activity, the vast majority are established and maintained in order that family members can survive. There is no reason to believe that they would not be receptive to some form of assistance, particularly given their current fears that they will be shut down by US authorities.

⁴⁷ Several donors have in fact been experimenting in this area by dedicating funds to projects that support remittance systems or partner with collective remittance programs and micro-finance institutions, in particular the Inter-American Development Bank, The United States Agency for International Development (See 'Remittances at USAID', on http://www.usaid.gov/our_work/global_partnerships/gda/RemittancesatUSAID.doc, 8/26/04, accessed on 9 September 2004 for USAID's policies and activities with respect to remittances), the International Fund for Agricultural Development of the United Nations, the Inter-American Foundation, GTZ, the UK's Department for International Development, the World Bank and foundations such as the Ford Foundation and the Rockefeller Foundation. For further information, see 'The Development Dimensions of Migrant Transfers', Ninna Nyberg Sørensen, Danish Institute for International Studies, November 2003, p.21; see also 'Remittances: The New Development Mantra?' Devesh Kapur, Harvard University and Center for Global Development, August 25, 2003, Paper prepared for the G-24 Technical Group Meeting, p.27.

⁴⁸ Colin L. Powell, 'No Country Left Behind', *Foreign Policy*, January/February 2005, p.32.

A number of researchers have focused on ways to harness the creative energy of the *diaspora*, which spends far more on development than any international donor, and understands the needs of their own society better than donors ever can. More sustained attention is required by donors to expand the scope of this research, and consider ways of ensuring that the recommendations emerging have practical application.⁴⁹ In addition, coping mechanisms of poor communities are still not understood to the degree necessary. For example, patterns of spending are still poorly understood: this includes how remittances are distributed from the macro-levels to the household, what types of restrictions there are on spending, nor how it works from urban to rural areas.

It may be that beneficiaries, through remittances and Islamic charities, have evolved their coping mechanisms to such a degree that OECD assistance only plays a marginal role in meeting their needs. New methods in any event need to be formulated to extend credit to areas outside the control of the central authority, or in places where there is no central authority. Whether that be through expanded use of micro-credit institutions or other creative means, people in fragile and weak states require improved access to credit. Future research efforts may also want to bring together expert researchers in remittances with those who focus on micro-credit (and micro-insurance schemes), and those who study Islamic charities, in order to discuss in an interdisciplinary fashion potential overlaps and innovative ways of improving the lives of the poor. Only through more creative reforms, which impact directly on the poor, can these populations be persuaded to isolate terrorism in their communities.

The purpose here is not to posit that international aid should be reduced because other funds are assisting those in need, but rather, given that poverty remains endemic in far too many parts of the world, current assistance programmes would have a far greater impact if they were able to work with other means of support in project design and implementation. Currently OECD aid works in parallel to the development work of Islamic charities and the assistance provided through remittances. Three funding streams appear to operate primarily in isolation, and rarely in a complementary manner. New policy incentives may need to be developed to harmonize the parallel systems, while also lowering transaction costs for both the formal and informal transfers, with care given to methods of supporting local development without obstructing local initiatives.

⁴⁹ For an attempt to focus on the development impact of remittances, see Mark Bradbury, Karin von Hippel and Randolph Kent, 'Social Facilitation, Development and the Diaspora: A Study for USAID on Sustainable Health Services', November 2004.

Final Remarks: Conclusions and Practical Considerations

Terrorism is caused by a complex array of factors that varies from place to place. Country programmes should be designed according to distinct needs and requirements (and often parts of countries will need to be treated differently from other parts). None of these recommendations should therefore be applied in all cases. Donors have enough local knowledge and general expertise in the over-arching areas mentioned in this paper – governance, rule of law, and socio-economic issues – to be able to adapt current practices in light of the new realities. First, however, improved communication flows are necessary between donors and beneficiaries: thus, the recommendation of regular surveying and polling in all states, prior to implementing any projects.

Development Mantras

Three concepts should, however, be applied as widely as possible for all development and humanitarian projects.

1. In weak and fragile states, donors should develop and implement programmes with long-term funding cycles. Typically projects are funded for six months or a year in these environments. If OECD donors do not adapt, they simply will not be able to compete with the al-Qa'ida movement, which has taken a long-term view, encompassing many generations, through its indoctrination strategies (e.g., schools, Mosques, and other charitable work).
2. Organic change is more likely to last and be 'owned' than that which has been externally inspired. Whenever possible, donors and implementing partners should use more discreet means to deliver aid, in line with Islamic approaches, and in particular in situations where distrust of the intentions of the 'West' is high. If not, well-intentioned projects can be counter-productive, and can undermine local leaders who could serve as moderating influences in their own communities.
3. Perception is extremely important – OECD states need to speak out with as much force when terrorists target local actors as when internationals are killed. Too many people in developing states cynically believe that the 'West' is only interested in human rights abuses when their own citizens are attacked. Given that very few local terrorist conflicts will

remain localized in today's increasingly connected world, the long-term counter-terrorism strategy will also be bolstered when local conflicts can be resolved at their source.

Indeed, civil wars perceived as threatening Islam (such as in Bosnia, Chechnya, Dagestan, Eritrea, Kashmir, the Philippines, Somalia, Sudan and Uzbekistan) have been exacerbated due to the participation of 'foreign volunteers,' many of whom have links to al-Qa'ida. Al-Qa'ida involvement can also transform these territories into breeding grounds for terrorists, as occurred in Afghanistan during the late 1990s.⁵⁰ These conflicts also provide new recruits, and expand the network of affiliates. The presence of these 'foreign volunteers' can lead to the improvement of strategies, tactics, quality of equipment, and to the adoption of more violent methods of confrontation - that is, suicide attacks involving massive civilian casualties as opposed to selective attacks against precise military targets. Thus as noted, attempts should be made to resolve these conflicts, before they are corrupted in this manner. For those conflicts that have already been exacerbated, new tools will have to be utilised, but first, a greater understanding of how these conflicts have been manipulated by the al-Qa'ida movement is necessary.

⁵⁰ Ayman al-Zawahiri, Osama bin Laden's top lieutenant, wrote that he visited Chechnya with the intention of establishing it as a further training base. As cited in Lawrence Wright, 'The Man Behind Bin Laden: How an Egyptian Doctor Became a Master of Terror,' *The New Yorker*, 16 September 2002, pp. 80-81.