

Chapter 7

A New Global Military-Terrorism-Hegemony Social Structure of Accumulation for Long-Wave Upswing?

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1. Introduction

The question addressed in this paper is the degree to which the new configuration of terrorists and pre-emptive strikes in the global political economy over the past decade or so is affecting long-term socioeconomic performance. We believe that global military-terrorist activities have an impact on performance through the building or otherwise of potential social structures of accumulation (SSAs). The key factors to consider are the impact of the current military-terrorism structure on levels of stability and conflict resolution. If stability and the resolution of conflict are at a high level this is likely to stimulate economic activity through higher levels of consumption, investment, trade, tourism, GDP, utility and welfare. But if the current forces are creating higher levels of instability and conflict in the global political economy then this is inhibiting the development of institutions to promote economic activity.

The study starts with a section on the major planks of the current global military-terrorism system. Afterwards we analyze the nature and degree of stability and conflict resolution in the military system. The final major section outlines some critical transmission mechanisms linking instability and conflict with declining performance. A conclusion follows.

2. Major planks of the global military-terrorism system

The current global military-terrorism system is evolving in multiple directions that are difficult to delineate precisely. But some fairly obvious trends and patterns are emerging that are becoming fairly durable and dynamic. The first plank situates the US as a powerful imperial force, though with much less absolute power than in the 1950s and 1960s. Militarily it has 'soft' hegemonic military dominance since while it is more powerful relatively than in the 1980s, its economic strength has been diminishing, which places limits on its military strength (Wallerstein 2002, Gulick 2004). More significantly, though, we are concerned here with strategy, in particular the recently amplified policy of the US 'going it alone' (with some

allies) in military and related affairs. This can be neatly schematized by calling the first plank the unipolar and first strike tendencies of the US imperial system.¹

With the imperial trend the US dominates militarily and seeks to prevent other powers from threatening its pre-eminence. With the recent heightened focus on unilateralism, the US has created a military alliance with its “coalition of the willing”, including the UK, Australia, Japan, Pakistan, Saudi Arabia, and Israel. The doctrine of pre-emptive strike has been introduced by the US, to replace the old doctrine of deterrence which is argued not to be valid in an environment of global terrorism and rogue states. The US often seeks to go into battle and undertake international relations on its own terms, eschewing, for instance, many critical international protocols, courts, agreements, conventions and so forth (see below) while unilaterally attacking “terrorists” and “rogue states” in association with its coalition partners. It also undermines multilateral institutions by forcing its power on them, such as happened in several UN forums and the Chemical Weapons Convention.²

Foreign policy in the second Bush Administration has very ideologically coherent with the rise to pre-eminence of the neo-conservatives and assertive nationalists. These hawks such as Richard Cheney, Donald Rumsfeld, Condoleezza Rice, Paul Wolfowitz, Robert Zoellick, Stephen Hadley, Elliott Abrams and John Negroponte believe in taking an assertive position to prevent attacks on the US through first strikes and invasions to destroy rogue states and terrorists. Realists, such as Colin Powell, are now out of favour since they adhere to “old-fashioned” notions of balance of power, international stability and predictable alliances (Kern, 2005). It remains to be seen how the new administration in Washington affects the processes associated with this tendency.

The second plank is the multilateralism trend. While the US is taking a unilateral direction, it does also at times cooperate beyond the coalition of the willing through the UN, NATO and nations in the Middle East and South and North America. But for the US multilateral or bilateral relations are really just an extension of its unilateral tendency, since it wants to choose whatever strategy it thinks is relevant to its “national interest”. The dominant states of Europe, especially France and Germany, prefer a consistently multilateral approach to international relations, since it correlates with the rule of law, compromise and agreements to solve complex problems. Such multilateral forces include the UN, NATO, the Kyoto Protocol, the Anti-Ballistic Missile Agreement, an expanded European Union, and the Chemical Weapons Convention. This trend seeks to solve conflicts via institutionalized accords between the major parties, in the belief that this reduces instability and conflict. When

it suits the US it too contributes to multilateral agreements, but it reserves the right to act unilaterally where it thinks this is in the “national interest”.

The third plank of the system is the emergence of a relatively new form of terrorism. The old style terrorism of the IRA, the Red Brigade and FARC was the classic variety of small scale attacks and abductions in order to gain media attention and influence government. They tended to eschew major attacks for fear of alienating the general population. They were content to enhance the cause of independence and attacks on the establishment through regular incursions that kept their concerns in the public eye. The new form of terrorism associated with radical Islamic groups has a new agenda of attacking US hegemony in the Middle East, Western influence in regional areas and corrupt, pro-Western and/or relatively secular governments. They have announced a war that seeks major civilian casualties against the US and its coalition of the willing. Moreover, they seek to escalate the conflict in order to entice the US to overreact and reinforce their power base in the Middle East and elsewhere. In this fashion they champion the fundamentalist Islamic cause.

The new form of terrorism has four main characteristics: (a) a marked expansion in the number of casualties per attack, (b) a majority of non-state terrorists being religious-Muslim in origin, (c) a growing global network of resources, and (d) a concern to destroy US hegemony in the Middle East. Many authors have questioned the newness of this trend, but these four tendencies do seem to prevail.³ The world is currently experiencing a war between the US and its allies and a global network of non-state terrorists that are effectively attacking the foundations of US dominance in the region. The war is likely to play out over several decades and to dominate the lives of most nations in Europe, the US, the Middle East, northern Africa and parts of south-east Asia and Oceania.

The fourth plank is a series of so-called “rouge states” that also appear to be ‘challenging’ US power. Nations such as Iraq, Afghanistan, Iran, North Korea, Cuba, Lebanon, Syria and the Sudan have variously been included, over recent years, in this category of states that have been trying to enhance their power through an independent foreign policy, acquisition of nuclear weapons and/or support for various forms of “terrorism” around the globe. Indeed, it was the activities of such states that ‘justified’ the US (with UN support) invading Afghanistan to root out the Taliban in the search for Al Qaeda terrorists, and also for the foray into Iraq due to *supposed* weapons of mass destruction and support for terrorists by Saddam Hussein. This is a critical part of the recent US policy of engaging in pre-emptive first strikes where thought necessary. Gone are the old principles of the US

respecting the sovereignty of established governments. They seek to be more proactive in encouraging changes to regimes that are obviously anti-American.

The fifth plank of the military-terrorism system is the 'oil regime' and the 'corporate state'. Corporations are a critical part of the system through the production of armaments, military hardware, trained specialists, financiers and strategists. The state also trains military personnel, establishes a military bureaucracy and associated intelligence and defence organizations. The US President is the chief of the armed forces, while Congress provides financial support and nationalistic fervour legitimizes the practices. Oil, however, is more important than some analysts have been led to believe. The Middle East would be seen like much of sub-Saharan Africa without oil, and no government seeking global power would bother to invade nations without such rich resources. Known reserves of oil are likely to decline by 50 percent between now and 2050, while the Middle East share is expected to increase from 20 percent to 45 percent over the same period (Clark, 2003).

The sixth plank is the dominance of a neoliberalism policy framework. Starting with the Reagan and Thatcher revolutions, most nations of the world have reformed their governance structures to adhere to the free market ideology. Special reference has been given in national and international policy settings to moderating budget deficits, reducing the size of government, and protecting property rights. Fundamental to this view is the notion that the role of government is to provide a set of laws and institutions to protect the rights to private property, democracy and association. This is an important rationale for the recent unilateral push in the White House, since military and so-called "defence" activities are core parts of the "rule of law" and the "protection of private property". The idea is that, once these public goods are in place, the entrepreneurial spirit can emerge free of the fetters of regulations so as to enhance innovation and productivity. The supply side of the economy is thus seen to be critical to long-term economic performance; demand in the form of investment and consumption will naturally flow once the basic structures are in place.⁴ The importance of neoliberalism is outlined in the core national security strategy developed by the White House (Bush, 2002, ch. VI).

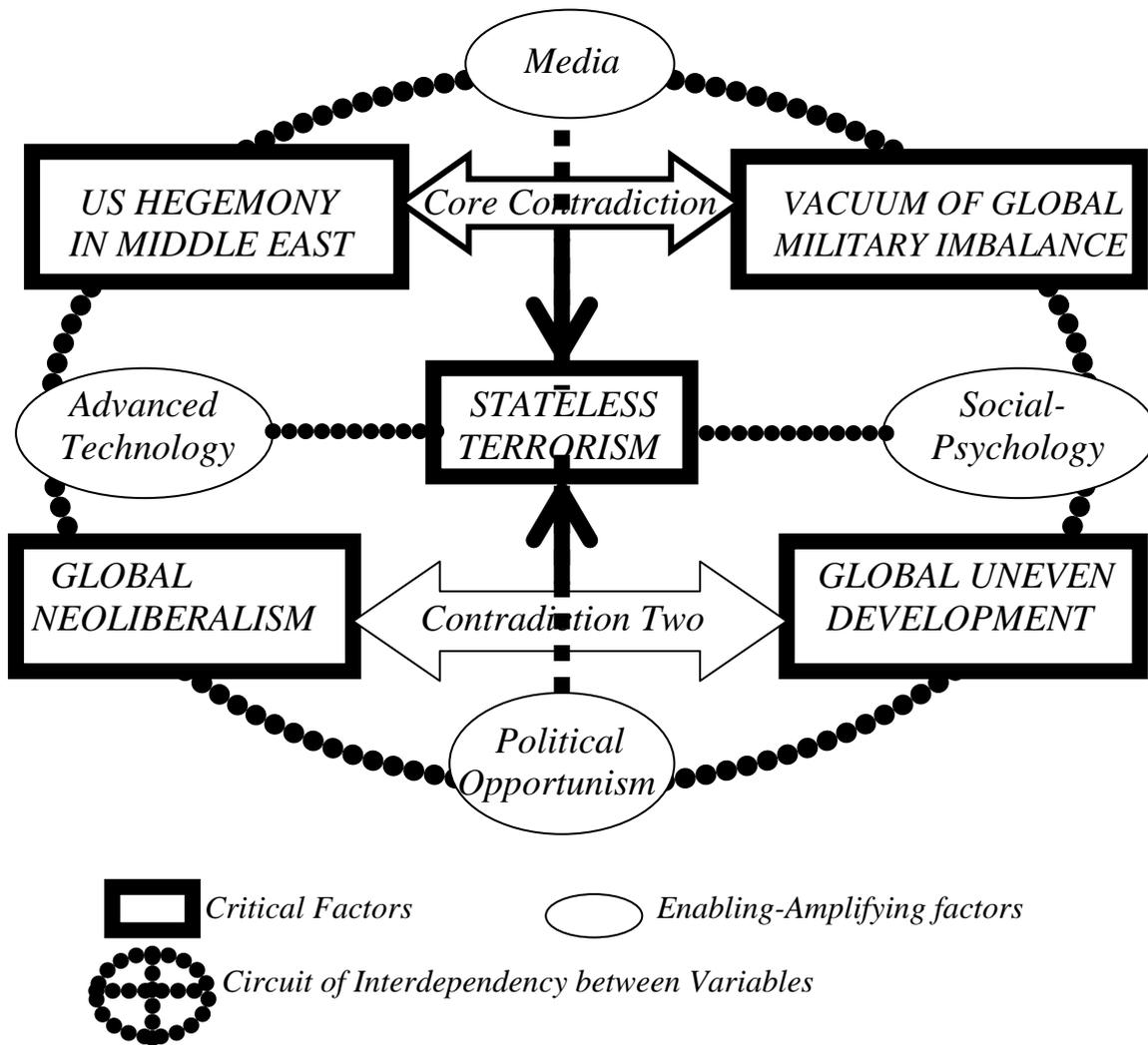
The seventh plank of the global military-terrorism system is increasing dominance of the 'American way of life' through most nations and regions. American culture, economy and polity are being adopted through the four corners of the globe. However, this does not necessarily translate into absolute American hegemony or even the uniformity of culture. But it does provide a pattern to the processes affecting the global system. It may lead to the

creation of alternative sources of power, and to the emergence of new cultural forms. Critical to this is a parliamentary system of checks and balances, regular elections, and a sophisticated corporate media/news apparatus. The neoconservatives seek to stimulate and if necessary force on rouge states a world in the image of the US, with free markets, parliamentary democracy and an open society. As the revised US national security strategy says, it is critical to “expand the circle of development by opening societies and building the infrastructure of democracy” (Bush, 2002, p. 21).

3. Contradictions of the global military-terrorism system

Emanating from these seven planks of the global military system are several contradictions, amplifying factors and enabling processes. Contradictions of the global military system are those tendencies that simultaneously promote positive and negative elements, and which are potentially destabilizing to the system. Through time the negative elements will tend to prevail unless major changes are made to promote stability, conflict resolution and performance. Contradictions are those paradoxes, ironies and oppositions that lead to endogenous instabilities and conflicts if not suitably checked by institutional constraints, accords and agreements. Every institutional apparatus has imbedded contradictions, but they will only become manifest when the vested interests take control in their narrow self-interest; when instrumental efficiency is not a critical part of the dynamic of the system; where financial and military activities dominate over productive relations and processes; and when instability and conflict arise from unstable power and authority structures (O’Hara 2005). The core contradiction, other contradictory processes, amplifying factors and relationships of interdependency are illustrated in Figure 1, below:

Figure 1: Contradictions, Amplifications & Circuit Affecting Instability & Conflict



Terrorism and the wars associated with it are complex phenomena, and therefore it is necessary to situate it in a combined social, political and economic environment. Figure 1 illustrates the interdependency between 9 factors. Usually there is the core contradiction and a number of secondary contradictions. The core contradiction lies in the relationship between the creation of a power vacuum from the global military imbalance of the demise of the Soviet system, and the tendency of the US to impose forms of relative hegemonic dominance in the Middle East. The other contradiction important in this context is that between the generation of global neoliberalism and the associated tendency towards uneven development. Also critical are certain amplifying factors that produce a divergence between the direct costs of terrorism and war (deaths, injuries, destruction of property, etc) and the much wider generation of fear and intimidation among the population (which affects utility, satisfaction,

quality of life, apparent security, the social and business climate and so forth). It is necessary to see all these factors in dynamic linkage and realistic practice.

The Core Contradiction vis-à-vis the ‘military-terrorism SSA’ relates to the interface between the military vacuum posed by the demise of the USSR and the rise of US relative hegemony in the Middle East. The current global military system is in metamorphosis from the old cold war system to a new one the nature of which is somewhat indeterminate. Cold war stability rested on the superpowers knowing that both sides had the ability to destroy their enemies through “mutually assured destruction”. It was unlikely that one of the superpowers could strike first without the prospect of retaliation. Various agreements and consultations were reached among the major powers for controls on armaments, nuclear weapons and long range missiles which prevented an escalation into full scale war, even (eventually) during the Cuban missile crisis of 1962. While during the 1950s, 1960s and early 1970s absolute US hegemony ruled much of the world, on the military side a ‘relative balance’ existed that prevented major war.

With the demise of the Soviet Union around 1990, such an institutional balance was upset, and a military power vacuum was generated into which various groups and nations quickly moved. Indeed, the very process of destroying the power of the USSR in Afghanistan created the potential for radical Islamic groups to move into this vacuum, since they were supported heavily by the US and its allies. Afghanistan was a theatre within which Al Qaeda developed critical skills, networks and knowledge through which their power could multiply. Saddam Hussein also was supported by the US and its allies, and Iraq’s foray into Kuwait (which led to the first Gulf War) was a result of a desire to expand its power in the post-Soviet vacuum. The terrorist activities of Al Qaeda and associates through the 1990s and 2000s gradually grew, culminating in the “event that changed the world”: 9/11. This could never have happened without the demise of the Soviet Union which created instability in the global military system. As Bob Riggs (2003, p. 4) says:

When bin Laden changed the face of contemporary warfare by launching well-planned attacks on symbolic civilian targets, he wrote a new chapter in modern military history. ... Bin Laden ... show[ed] that the strategic and effective use of violence against symbolic civilian targets makes it possible for small, well-organised and ruthless terror groups to destabilise the most seemingly all-powerful of governments, and even the stability of the world order.

This transition process to a new military-terrorism configuration is enhancing instability as the US deepens its imperial role and neoconservative bent while radical Islamic elements seek to be included in the emerging power system. Out of the power vacuum created from the demise of the USSR Islamic radicals are seeking to be taken seriously as military and cultural elements of a new world system. The battle between the imperial and neoconservative forces and the Islamic elements are currently being played out in numerous theatres in Iraq, Afghanistan, Pakistan, Saudi Arabia, Palestine/Israel and numerous other areas of the world. The US alliance is sharing an unstable power system with Islamic radicals, and the battle is likely to continue until some degree of sharing of power is undertaken in global and regional decision-making. Until then battles will be fought, resistance against the US and its allies will continue, and military-security instability will continue.

The instability created by the power vacuum will play out over many years to come until a dynamic relative balance of power is (possibly) generated. In the meantime, military conflicts will continue, and likely become worse before they moderate. What we are currently seeing is a historic shift towards the re-emergence of Islamic power in global politics, while absolute US economic power declines, European potential rises and China and its archipelago emerges as a dominant player. US relative hegemony in the Middle East, in particular, is currently in question through conventional and terrorist battles in Iraq, Israel/Palestine, Europe, Northern Africa, and elsewhere. The problems of so-called terrorism and the war on terrorism are thus likely to get worse until Islamic interests are able to impinge on the world system. The recent terrorist suicide attacks in New York, Bali, Morocco, Spain, London, Iraq and elsewhere are likely to be the mere start of a long campaign of re-establishing Islamic interests.

The current multilateral-unilateral system is generating instability from both sides. On the multilateral side, for instance, the United Nations has been in crisis mode for a number of years, as the US seeks to challenge its legitimacy; it was inadequate in the face of the Kosova crisis of the late 1990s; and was reluctant to strongly support the invasion of Iraq in the face of lack of evidence of weapons of mass destruction and Iraqi support for major terrorists. The multilateral foundation of the UN is constantly being threatened by the US as it moves in a unilateral direction, along with members of the “coalition of the willing”. This lack of UN unity is increasing instability in international relations. Multilateral ineffectiveness is stimulating US unilateralism, while unilateralism is contributing to the ineffectiveness of

multilateralism. This crisis of collective security is leading to greater conflict and war in the global system. As one analyst says:

A world in which the paramount international security institution is unable to solve or even effectively address the most dramatic and dangerous threats to security is a world on the verge of regressing to a system of self-help. Neither bashing multilateralism nor singing its praises will resolve anything. Rather policymakers must acknowledge that multilateralism entails benefits as well as problems, and that it is necessary to develop the political will and determination to subject multilateralism to thorough review and, if the need arises, radical reforms. Only then can we bring about the kind of international order that both sides of the Atlantic as well as the greater international system so desire (Krause, 2004, p. 57).

On the other hand, the unilateral trend of the US and the dominance of the neo-conservative-cum-nationalist wings of the Republican Party have enhanced instability. They have led an invasion of a country that was previously stable, to one that is now a theatre and global stimulus for growing networks of Islamic militants. The US invaded Iraq with insufficient ground troops, inadequate border control, lack of appreciation of the problems of governance, and inadequate recognition of the potential for heightened instability. Bin Laden and the Al Qaeda network undertook 9/11 to provoke US retaliation in the hope of creating a theatre where radical Islamic networks could flourish. This is exactly what the Iraqi war did – increase instability, promote effective resistance to the US and its allies, and increase conflict not only regionally but throughout much of the world.

The Hawks in Washington argue that increasing short-term instability will in the intermediate-to-long-run reduce conflict. They say that pre-empting terrorists and rogue states may create some degree of regional instability – such as in the Middle East and the Korean Peninsula – but that this is the short-term price of long term stability and resolution of conflict. However, this ignores critical counter-arguments such as the following problems suggested by Ikenberry (2002). While the US creates a core principle of the first strike, this may engender other states to put it into practice. Pakistan, Russia, China, North Korea and so on may decide that they need no firm evidence of attacks to strike first and destroy the enemy. It may also encourage states to accelerate their programs of weapons of mass destruction to deter the US. First-strikes and invasions before evidence is available will likely increase the number of wars, and increase the resources necessary for state building and peace-keeping for perhaps decades into the future. These wars and state building programs increase the degree

of uncertainty regarding the future course of invaded states. It is likely to increase the number of invaded and changed regimes, but the future course of events may evolve in an unanticipated fashion, creating imperial overreach where the US requires long-term resources from others but has already alienated potential coalition partners.

The unilateral trend requires multilateral cooperation in intelligence, logistics, legality and socioeconomic policy. But potential partners are less likely to cooperate after being passed over in favour of more compliant junior partners such as Australia. Acting imperially in security and military matters is unlikely to generate cooperation in other areas such as trade liberalization, financial stability and organized crime. The US imperial trend may accelerate the demise of US power by creating an international backlash against the US. Numerous other states may rebel against the imperial US order. US military dominance and war-mongering may incite rebellion by other states, even those previously sympathetic to US power.

What is the link between this heightened global instability and conflict? For the first time in recent centuries a major attack has been unleashed on the mainland of the relatively most powerful nation in the world. This is an unprecedented attack on US power: the most significant challenge to a dominant nation since the demise of British power in the late 1800s. Radical Islamic militants are developing global networks against a major power, which is manifesting in a series of mostly suicide attacks against the US and its “coalition of the willing”. The terrorist statistics compiled by the US Department of State and others are useful because they enable us to assess the degree of military action against the US, since their definition of terrorism ignores US-backed (or generated) terrorist activities.

Using these statistics we generate an “Index of Anti-US Terrorism” (IAUST) for the period 1990-2006, divided into two periods: 1990-1997 and 1998-2006. For each major attack against US interests an impact figure of between 0 and 10 points is given, depending on the severity of the attack. A summation of the Index is shown in Table 1, below. Using this IAUST Index we found that non-state terrorist attacks in the past 9 years (1998-2006; Table 1b) have been much more proactive against the US “alliance” than in the 7 years before then (1990-1997; Table 1a). There was thus an increase in conflict associated with this expansion of instability in the wake of the power vacuum creating radical Islamic terrorism and unilateralism.

Table 1a: Index of Anti-US Terrorism (IAUST), 1990-1997:

6 most critical non-state terrorist attacks against the 'US alliance'

Date	Place(s)	Target(s)	Civilians Killed	Technology Used	Strategic Impact	Σ IAUST Impact Score
Feb/Mch 1991	Istanbul & Anarp, Turkey	Contract Workers US Defence Dept	2 US Citizens	Revolver	Minimal	1
March 1992	Bogota, Columbia	US Diners Club	1 US Citizen	Revolver	Minimal	1
Feb 1993	New York City	World Trade Centre	6	Bomb Materials	Significant	6
Oct 1994	Luxor, Egypt	Tourists	1 UK Citizen	Bomb Materials	Slight	2
Nov 1995	Rijadh, Saudi Arabia		7 (5 US Citizens)	Bomb Materials	Moderately Significant	3
February 1997	New York City	Empire State Building	1 Danish Citizen	Revolver	Moderate	3
			$\Sigma = 18$ Killed			$\Sigma = 16/60 = 27\%$

Table 1b: Index of Anti-US Terrorism (IAUST), 1998-2006:

7 most critical non-state terrorist attacks against 'US alliance' & its 'protectorates'

Date	Place(s)	Target(s)	Civilians Killed	Technology Used	Strategic Impact	Σ IAUST Impact Score
August 1998	Kenya, Tanzania	US Embassies	301	Bombs		3
September 2001	New York Washington	Icons of US Power	3,000	Aeroplanes, Large Buildings	"Changed Course of History"	10
October 2002	Bali, Indonesia	Nightclub (Western Tourists)	180	Bombs, Buildings	Australia Vulnerable - Member of COW	4
May 2003	Casablanca, Morocco	5 Western Tourist Sites	30	Bombs, Buildings	Moroccans Turn from Islam	2
March 2004	Madrid, Spain	5 Trains (Commuter)	191	Bombs, Trains	COW Govt Defeated in Election	6
July 2005	London, England	5 Trains & 1 Bus	65	Bombs, Trains, Bus	Internal Attack on COW England	7
2003-2006	Various Places, Iraq	Mosques, Markets, Streets, etc	141,542	Gunfire, Bombs, Suicide Missions	Enhancing Al Qaeda Networks	10
			$\Sigma =$ 145,309 Violent Deaths			$\Sigma =$ 42/70 = 60%

Source: Adapted from NCC (2005); US Department of State (1992-2004); Fratianni & Kang (2004); Burnham et al (2007); Kalpakian (2005); NCC (2005).

These figures show that before the radical Islamists became organized there were far fewer challenges to US power, in the Middle East in particular. The six most critical attacks against US strategic interests during 1990-1997 – in Turkey (1991), Columbia (1992), New York City (1993), Egypt (1994), Saudi Arabia (1995) and New York City (1997) – were collectively fairly minor incursions into the US power base, although the New York City ones were symbolically important as an attack on the mainland with 7 civilians killed. The strategic, economic and social impacts of the attacks were minor, with an overall “impact score” of 16/60 or 27 percent. During the early-mid 1990s many of the so-called international terrorist attacks (as defined by the State Department) were by secular groups, such as FARC in Columbia which was protecting agricultural communities against terrorist actions by US-

supported military and paramilitary forces.⁵ Small-scale terrorist actions for diplomatic and/or media attention seem to have been the norm among FARC and related groups.

It took the radical Islamic groups a decade or so to institute sufficient networks against US power to pose a formidable threat after the demise of the US-USSR relative military balance of power. Once they organized themselves and learnt the techniques of large-scale suicide missions, by the late 1990s successes were forthcoming. They had bases such as in Afghanistan and Pakistan with which to organize campaigns, and during the early 2000s the majority of international terrorist groups were religious (mainly radical Islamic) in nature, as shown by Table 2, below (see Schmidt, 2004):⁶

Table 2: Terrorist Groups Primarily Religious/Non-religious in Focus, 1968-2002

	1968	1980	1992	1995	2002
Number Religious*	0	2	11	25	38
Number Non-Religious*	11	62	37	33	36
Percent Religious*	0	3	23	43	51
Percent Non-Religious*	100	97	77	57	49
Percent Fatalities by Religious Terrorists**	n.a.	n.a.	n.a.	58%	n.a.

Source: Adapted from Hoffman* (1997, pp. 48, 52); US State Department** (2003, pp. 99,125).

“Religious” terrorist groups as a percent of all terrorist groups (defined by the US State Department) rose from 0 (1969) to 3 (1980) to 23 (1992) to 43 (1995) to 51 (2002); becoming the majority by 2002, while their contribution to total terrorist fatalities had already well exceeded 50 percent by 1995.

This was, by-and-large, a new form of terrorism more intent on major attacks against US hegemony in the Middle East and elsewhere in the world. The late 1990s and 2000s thus saw an escalation in significant attacks, with the suicide bombings of US Embassies in Kenya and Tanzania (1998) leading the charge with 301 civilian deaths and 5,077 injured. This was followed by the most significant attack on the US homeland ever, the 9/11 suicide plane crashes in New York City and Washington DC (2001), killing around 3000 civilians.

The 9/11 attacks stimulated a whole series of network plans throughout the Middle East, Asia, Europe, and North Africa as radical Islamists gained confidence in their cause. Hence the suicide bombs set off in Bali (2002), which killed 180 civilians; similar attacks in Casablanca (2003, a haven for especially British tourists), killing 30; the 10 suicide train

bombs in Madrid (2004), killing 191 and responsible for the defeat of the government in the elections; and the main suicide attacks on the train and bus networks in London (2005), killing about 65 civilians. Al Qaeda along with its informal global networks and the US and its allies have declared war on each other. The ongoing Afghan war after 9/11 ironically helped Al Qaeda by forcing them to become non-state combatants with no territory and increasing network power throughout the world. Having no state to protect and amorphous networks enhanced their cause, and make it difficult for the US to retaliate against them.

Wanting the US to retaliate and spread their imperial power through the Middle East even more forcefully helped Al Qaeda and their allies immensely. Iraq then became a major theatre for Islamic militants to engage in serious war against the US, gaining critical experience and honing the craft of suicide bombings and Guerrilla Warfare. The 2003 US invasion of Iraq was a serious mistake and illustrates the contradictory limits of neo-conservatism. According to the only scientific estimate of total Iraqi casualties during the Iraqi war (aggregate figures for the period March 2003 to June 2006) (Burnham et al 2007; an update of Roberts 2004), since the US invasion, an estimated 601,027 Iraqis were killed by violent methods. This was a social survey of Iraqi households, undertaken between 20 May and 10 July 2006, backup up in over 90 percent of cases by a death certificate; with the results published in the *Lancet*. Of the 601,027 Iraqi deaths by violent means, 24 percent were killed by “Other” groups such as Al Qaeda and their allies in association with religious-ethnic reprisals (141,241 people); 31 percent were killed by the “Coalition of the Willing” (188,422 people); and 45% were killed by “Unknown” personnel (271,364 people; likely a combination of Al Qaeda inspired groups, religious-ethnic reprisals and Coalition members). Thus, the number killed by Al Qaeda in association with other Islamic groups, 141,241, can be seen as a very likely under-estimate of the amount of anti-US terrorism (including terrorism which questions the presence of the Coalition in Iraq) during the first 40 months of the Iraq War. The number of total Iraqis violently killed by all groups increased from 90,154 (2003-04) to 180,308 (2004-05) and 330,565 (2005-06), with the total killed by “Other” groups, including Al Qaeda and other Islamists, increasing over the same period from 8,114 to 34,259 and 99,169 people. These Iraqi’s killed, especially by Al Qaeda et al can be seen as a major threat to the US invasion and their broader imperial pursuits; hence the impact, “10”, is very likely broadly equal to the 9/11 attacks in terms of morale and geo-political significance.

Hence, 9/11 and the Iraq War were the most critical events promoting radical Islamic strategy against US power. Therefore, overall, the “impact score” for the 1998-2006 attacks

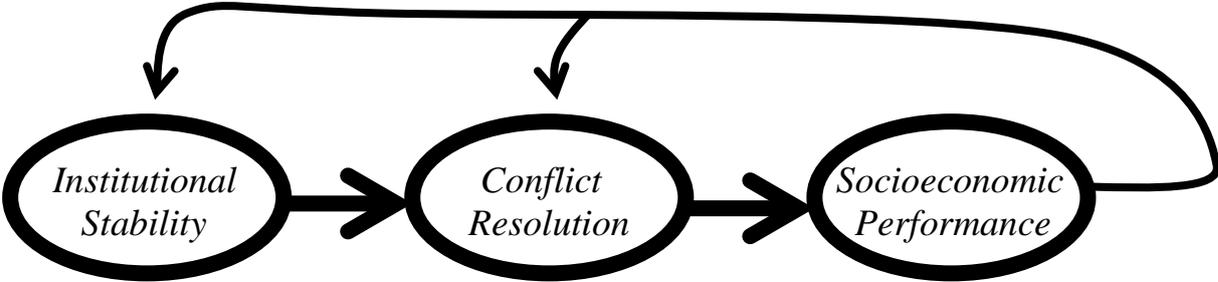
against the US is 42/70 or 60 percent. This is a more than double the strategic importance of the attacks earlier, in the 1990s.

Greater conflict has thus emanated from instability associated with the failures of multilateral–unilateral security; the vacuum created by the scrapping of the US-USSR balance of power system; and (declining) “US hegemony” in the Middle East. An amorphous World War now exists between the forces of US power (including its allies) and radical Islamic religious-military groups. At present this war has no balance of power institutions to moderate the conflict, and therefore is likely to escalate into the future. In doing so, it will likely lead to more loss of life, declining utility and diminished socioeconomic performance for many nations. The link between instability, conflict and declining performance is analyzed in more detail in the next section.

4. Instability, conflict and performance

The major hypothesis of this study is that the emergence of a military-terrorism SSA depends upon positive levels of stability, conflict resolution and performance. The relationship between these factors is illustrated in Figure 2, below:

Figure 2: Formation of a Military-Terrorism SSA



The central hypothesis isolates the importance of linkages between levels of stability in military-terrorism institutions, conflict resolution, and socioeconomic performance. Instability within and between these institutions stimulates high levels of conflict and war, contributing to anomalous performance. In the previous section we showed how instability within and between the unilateral and multilateral relationship is promoting conflict, war and terrorism in the global system. This section presents evidence that such instability and conflict is inhibiting socioeconomic performance, and thus preventing the formation of a military-terrorism SSA to stimulate long wave upswing in the global political economy.

We now come to Contradiction 2 (see Figure 1, above) concerning the spread of global neoliberalism and the process of uneven growth and development. A major problem is the inability of US neoliberal policy hegemony in the Middle East to improve the performance of Arab nations. US influence in the area and the work of US-inspired IMF-World Bank institutions heavily influenced Arab nations to globalize and deregulate. Arab nations were told that if they opened their economies to international capital, privatized government enterprises and deregulated labour markets this would lead to improved performance. There are two problems here. The first is that many Middle Eastern nations did open up to markets, but such action did not materially improve their standard of living, as shown from the work of Peter Nunnemkamp (2004).

The evidence is fairly clear that, through time, living in an environment in which economic performance is sub-standard, political repression is strong and there are significant numbers of sympathetic educated people, provides a perfect breeding ground for radical Islamic networks. This has been the environment of most Arab nations in the Middle East. (Testas 2004.) Educated radicals are in high demand for their skills in areas such as information and communications technology and the ability to fit into a foreign environment. Also they are more likely to be interested in political activity and be committed to the cause. The political environment in most Arab nations is also conducive to terrorism as many national governments are affiliated with the US and provide few forums for radicals to be included in decision-making. Lastly, deteriorating performance provides an incentive for radical change to improve the conditions of Islamic people, even if Islam requires a balance of economic and social considerations. Internal tensions and conflict exacerbate these problems.

It is in this complex environment that radical Islamic networks have developed. US relative hegemony in the Middle East has stimulated a host of corrupt and repressive regimes, such as in Saudi Arabia, Turkey and Egypt; the promises of neoliberalism failed to materialize vis-à-vis socioeconomic performance; and therefore many educated (and other) people have flocked to the message of the Wahabism Brotherhood and their modern followers such as Al Qaeda, Al-Salafiya, Ansa Al Qaeda Brigades and Jemaah Islamiya (Katzman, 2005).

The “New Terrorism” associated with radical Islamic networks is bent on greater fatalities in their war against relative US hegemony (along with its allies) in the Middle East and elsewhere. The Hawks in the Bush Administration are similarly bent on unilateral intervention in the region through violent regime change and wars. This has increased conflict

in the Middle East and elsewhere. There have been attacks on civilians from both sides, whether as direct targets or the unconcerned effects of war. The costs of such terrorism and war are multiple, with transmission mechanisms negatively affecting performance in all directions. Some of the transmission mechanisms are illustrated in Table 3, below (see Frey et al, 2004a), although these examples are heterogeneous and do not concentrate purely on the “new” terrorism.

Table 3: Impact of Terrorism on Socioeconomic Performance

Variable/ Author	Region	Period	Cost	Problem
Consumption (Eckstein et al, 2004)	Israel	1950-2003	C ↓ 5% per annum	Drop in Demand
Investment (Fielding, 2003)	Israel	1988-1998	I _c ↓ 28% I _m ↓ 15%	Drop in Demand
International Trade (Nitsch et al, 2004)	Numerous	1968-1979	Doubling Terrorism ↓ Bilateral Trade 4%	Lower Trade
FDI (Enders et al, 1996)	Spain, Greece	1975-91 1976-91	12-14% ↓ FDI	Declining Investment
Tourism (Enders et al, 1992)	Europe	1974-1988	\$16.145b	Lower Growth
Tourism (Drakos et al, 2003)	Mediterranean	1991-2000	89% of loss flows out of area	Contagion Spreads through Region
Airline Tickets (Ito & Lee, 2004)	USA, 9/11	2001-2003	10% ↓ in Yield	Corporate Bankruptcy
GDP per Capita (Eckstein et al, 2004)	Israel	1950-2003	“High” Terrorism ↓ GDP by 3.5% pa	Declining Performance
Terrorism Risk Factor (Viscusi et al, 2003)	Experimental Methods	2002	Willing to Pay 70% for Plane Tickets (for no terrorism)	Utility Loss
Life Satisfaction [Frey et al 2004b]	Northern Ireland	2003	Willing to Forgo 41% of Income for “Low” Terrorism level	Peace Income Premium

These studies show that terrorism and the wars and conflicts caught up with it affect every major aspect of the economy. The most important components of private sector demand, consumption and investment, are significantly affected. Consumption expenditure can be affected through adversely impacting consumer confidence as people become fearful, reducing their geographical mobility and desire to visit certain shopping centres. Investment spending is usually impacted as a drop in business confidence increases uncertainty and expectations of profit decline. Critical aspects of the international economy, such as trade, FDI, tourism and airlines are impacted. Imports tend to decline as domestic demand suffers, while exports decline as the quality of products and innovation deteriorate. FDI falls off as

domestic corporations perform below par and the overseas businesses are less inclined to operate in areas impacted by terrorism. Tourism and commercial airlines suffer as people go to places with more safety and protection, or develop alternative consumption patterns.

Contagion affects vast areas as nations not attacked yet linked to nations that are attacked are affected. This is an important amplifying affect associated with people's tendency to implicate whole areas that seem on the surface to be relatively homogenous. High levels of terrorism adversely affect GDP levels as consumption, investment, trade, FDI and tourism declines have negative impacts on the multiplier and accelerator. But broader measures of performance such as utility and life satisfaction seem to be more heavily impacted than the narrower variables. So affected by higher apparent levels of personal risk are people in the terrorism-affected areas that they are willing to pay very high prices for plane tickets, for instance, if terrorism would decline to zero. This is said to reflect their diminished levels of utility. And lastly, life satisfaction has been demonstrated to decline to create a 'peace premium' where the affected population are prepared to forgo very large levels of income for terrorism to decline to low levels when it has become part of everyday life.

Overall, the aggregate costs of much higher than average levels of terrorism and war characteristic of the new form of terrorism are likely to be vast for those regions where radical Islamic networks and/or coalitions of the willing are active. This is true despite the fact that terrorism often has very limited direct affects. Much of the cost of terrorism is due to the fear and intimidation imposed on the civilian population, through social-psychological linkages to military force, technology, the media and opportunistic governments. As O'Hara (2004) and Mueller (2005) point out, relatively speaking very few people die of terrorist attacks compared with homicides, suicides, tuberculosis and heart attacks. Yet the social-psychological impact is often immense as systemic over-reaction by most parties amplify the costs many-fold.

5. Conclusion

This paper has sought to analyze whether a new global military-terrorism social structure of accumulation (SSA) has emerged to contribute to long wave upswing in the early years of the new millennium. We found that the most important thing for the construction of a SSA is a series of institutions that promote global stability and conflict resolution, which contribute to socioeconomic performance. We delineated the main features of the current evolving

military-strategic system. These included the imperial trend of US unilateralism, multilateralism, a new form of terrorism, a series of “rouge states”, the oil regime with the corporate-industrial state, neoliberalism, and the increasing dominance of the US way of life. This structure of institutions was found to be promoting greater levels of instability and conflict, since the dual system of unilateralism-multilateralism is in disarray, new forms of terrorism linked to US unilateralism are heightening wars and disputes, the oil regime is contributing to conflict and corruption, while neoliberalism and the US way of life are creating a wave of insurgency against the “infidels”. A major problem is the power vacuum since the demise of the Eastern Block and the emergence of even more conflicting groups such as the radical Islamic networks and the neo-conservatives in Washington.

Then we turned to the question of socioeconomic performance and found that the current structure of institutions is enhancing terrorism and war in the global system. Neoliberal reforms in the Arab world have failed to contribute to performance and hence stimulated the anger of Islamic radicals who abhor US institutions that fail to advance the cause of Muslims. Greater levels of terrorism associated with the new system is reducing private consumption and investment demand; adversely impacting FDI, tourism and trade; and reducing GDP growth, utility and life satisfaction. Greater levels of instability and conflict in the global system will likely continue reducing performance in critical areas. Therefore, it cannot be said that a new military-terrorism social structure of accumulation is emerging to enhance long wave upswing in the global political economy.

Notes

¹ While there are of course unilateral and multilateral trends in the current system, Frank Harvey is correct when he says that: “there are no purely unilateral or multilateral strategies or policies; every major foreign policy initiative falls somewhere on a continuum (and often includes components of many strategies coexisting simultaneously). There are “principled” and “instrumental” forms of unilateralism, bilateralism and multilateralism, and these foreign policy options are often applied concurrently and strategically by all states at different points in time, occasionally within the same crisis” (Harvey 2003-04, p. 24).

² Bob Rigg (2003) argues that the US underlined the Chemical Weapons Convention through demanding that the independently minded re-election of Director-General, Jose Bustani, be withdrawn; and ensuring that Iraq was prevented from joining the Convention. The US also encouraged Israel to expand their stock of weapons of mass destruction, despite the double standard that this perpetuated; and it is not bound by its earlier undertaking to refrain from using nuclear weapons against states that do not have them.

³ For instance, Isabelle Duyvesteyn (2004) critically analyses the notion of the “new terrorism” and argues against it. Her critique is based on “new terrorists” (a) acting transnationally”, (b) being religious fanatics”, (c) attacking as many people as possible, and (d) indiscriminate targeting of victims. She negates every one of these points, although not much is argued on the fourth point. The four parts of the “new Terrorism” `criteria used in this paper, shown in the text of this article, are mostly different to her list, She ignores the tendencies, global networks (not simply “transnational”) and anti-“US Hegemony” aspects of the new terrorism. Many authors accept this change towards “new Terrorism”, including, for instance, one of the first to argue this (Bruce

Hoffman, 1997) and, more recently, Michael Kometer (2004), who says that “The real difference is that for the militant Islamic movement, the strategy is a coherent one, where all four operational areas – motivation, organization, support, and operations – are congruent because they point to the same mechanism: global insurgency that gradually builds strength for a final takeover of the world. This is the nature of the war on which we are embarked” (p. 74). While I agree with this in large measure, I disagree with the “final takeover of the world” remark as an exaggeration.

⁴ A related part of neoliberalism is the increasingly global economy, expanding the free movement of money capital, plus goods and services. National economies are becoming more global in the sense that they are increasing their dependency on the world market, capital is becoming more mobile, and corporations can move transnationally with few barriers to entry and exit. Through the WTO attempts are being made to limit tariffs on the movement of goods and services, minimize subsidies to exporters and domestic producers, and expand intellectual property rights. Through the workings of the IMF developing and emerging nations have been encouraged to reform state finances and open up capital markets to global competition. The World Bank has been encouraging underdeveloped nations to restructure their economies to promote markets to foster technological innovation and industrial development. (see O’Hara, 2006).

⁵ FARC refers to the Revolutionary Armed Forces of Columbia, and has contributed a “significant” (usually isolated) number of the so-called terrorist attacks listed in the US State Department statistics. FARC supported and often represented the rural peasants who prefer to have land ownership and collective structures of association rather than the government creating large land ownership structures with the dispossessed moving to the cities as wage labor. By the late 1990s, FRAC controlled 60 percent of the country, including the provision of schools, decentralised judicial structures, and hospital services (Brittain, 2005, p. 23). Many peasants migrated to the FARC areas. There has been a history of US support for the central government, including recently with “an attack on rural areas where local peasant farmers support ... FARC” (former US General James Hill), “not against the guerrilla army itself” (Brittain, 2005, p. 28). In response, FARC has “been moving away from small scale operations and into large-scale, continuous, direct confrontations implemented through well-orchestrated, simultaneous attacks on state forces in many parts of the country” (Brittain, 2005, p. 31).

⁶ These statistics define religious as “primarily religious”, and therefore do not include terrorist groups that are primarily nationalist or fighting for independence for their homeland unless the religious element is the core aspect of the nationalism. The IRA, for instance, according to these figures, is primarily nationalist in orientation (rather than religious). If groups such as this were defined as religious then the statistics and argument would have to be re-analysed.

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