The 2002 National Security Strategy of the United States (NSS) was a watershed document in a number of ways—including its assertion that addressing global poverty is important to U.S. national security.

For example, the NSS Introduction by President George W. Bush stated that, while poverty does not directly lead to terrorism, “poverty, weak institutions, and corruption can make weak states vulnerable to terrorist networks and drug cartels within their borders.” The NSS went on to highlight the importance of African development for U.S. security as well as to argue that, while freedom “has been tested by widespread poverty and disease…humanity holds in its hands the opportunity to further freedom’s triumph over…these foes,” and that “[t]he United States welcomes our responsibility to lead in this great mission.”

In addition, U.S. Secretary of State Colin Powell wrote in a separate July 2002 article that “sustainable development is a security imperative. Poverty, destruction of the environment and despair are destroyers of people, of societies, of nations, a cause of instability as an unholy trinity that can destabilize countries and destabilize entire regions.” Yet at the 2002 Johannesburg World Summit on Sustainable Development, the United States delegation made little mention of either terrorism or how addressing poverty and its attendant issues might fit into an overall security strategy. The Bush Administration has also been accused in many quarters of underfunding both its own Millennium Challenge Account initiative as well as the Global Fund to Fight AIDS, Malaria, and Tuberculosis.

Given these policy tensions, ECSP invited analysts to address whether global poverty should and can be a U.S. national security issue. Is poverty alleviation crucial to national and global security—and if so, which policies should be highlighted? Or would “securitizing” such efforts weaken both the drive against poverty and the drive for security? And can poverty be linked to anti-terrorism efforts? The commentaries below provide an excellent and overdue entrée into these debates.

**Globalizing Weakness: Is Global Poverty a Threat to the Interests of States?**

By Vincent Ferraro

**About the Author**

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The “Global Poverty Report” issued at the G8 Okinawa Summit in July 2000 noted that eliminating global poverty “is both a moral imperative and a necessity for a stable world” (World Bank, 2000, page i). The first concern is incontestable: global poverty is a moral abomination of the highest order. Indeed, this moral argument motivates invaluable personal and non-governmental behavior: literally thousands of private
organizations work tirelessly and with great effect to reduce global poverty. But these private efforts cannot, by themselves, overcome the problem; nor can such efforts operate outside of the political and economic context maintained by the system of states. States remain the most organized and powerful agents in the world today, and their support is necessary to alleviate global poverty substantially.

States, however, are not motivated by moral concerns for non-citizens—altruism is a rare consideration in the world of international relations. States are obliged to protect their national interest. So was the Global Poverty Report correct that poverty reduction is also a prerequisite for a stable world? And is that objective compatible with the national interests of states?

**Reformulating National Security**

At its most basic level, the national interest has historically been defined in straightforward terms: the territorial integrity of the state and its political autonomy are the *sine qua non* of statehood. Without these two attributes there can be no state, and the protection of territory and autonomy from foreign threats is therefore the state’s highest priority.

Global poverty does not obviously constitute a threat to the national interests of states defined in these terms. Generally, poor states are militarily weaker than richer states, and few poor societies can directly challenge the territory or autonomy of rich states. Absent a direct threat from poor states, rich states can and will assert that their resources should be directed toward other issues—generally issues of a more immediate and unambiguous character. The alleviation of global poverty is therefore a low priority for most rich states.

Is this traditional interpretation of the national interest relevant to today’s circumstances? When Thomas Hobbes first articulated the security dilemma of states in the 17th century, there was no overarching power to guarantee the security of states, and each state had no choice but to develop its own power for self-protection. In developing that power, however, every state exacerbated the feeling of insecurity in its neighbors, who would in turn have little choice but to expand their power as well. This cycle of escalating power and anxiety generated a relationship among states that mimicked the classic Hobbesian description of those lives lived without the protection of a sovereign: “solitary, poore, nasty, brutish and short” (Hobbes, page 186).

For years, however, many scholars have argued for a redefinition of national security, contending that the world has changed dramatically since Hobbes. For example, Richard Ullman offered this alternative understanding of national security twenty years ago:

A more useful (although certainly not conventional) definition might be a threat to national security is an action or sequence of events that (1) threatens drastically and over a relatively brief span of time to degrade the quality of life for the inhabitants of a state, or (2) threatens significantly to narrow the range of policy choices available to the government of a state, or to private, nongovernmental entities…within the state (Ullman, 1983, page 133)

Ullman’s conception does not replace the historical definition of national security; rather, it expands that definition to include less direct, immediate, or intentional threats to a citizenry. While the Ullman formulation fails to capture the sense of urgency usually necessary to induce citizens to pay for the costs of security, it nevertheless more accurately reflects citizens’ actual security interests. Many states have recognized (at least rhetorically) this expanded appreciation of what constitutes a threat to the nation. For example, President George W. Bush expressed little doubt in the 2002 *National Security Strategy of the United States* (NSS) about the changing nature of threats facing the United

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—Vincent Ferraro

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States after September 11:

Defending our Nation against its enemies is the first and fundamental commitment of the Federal Government. Today, that task has changed dramatically. Enemies in the past needed great armies and great industrial capabilities to endanger America. Now, shadowy networks of individuals can bring great chaos and suffering to our shores for less than it costs to purchase a single tank. Terrorists are organized to penetrate open societies and to turn the power of modern technologies against us. (NSS, 2002, page 1)

In the aftermath of September 11, few Americans would have contested this claim. But not surprisingly, the NSS analysis of immediate threats to the United States undermines the traditional definition of the national interest. By asserting that the tactic of terrorism is to “penetrate” open societies, the NSS suggests that the conventional distinction between “foreign” and “domestic” is no longer as useful as it has been in the past. The erosion of that distinction arises from the changed circumstances of living in a globalized world, raising serious questions about whether the focus on an exclusive “national” interest remains useful, appropriate, or even meaningful.

Secondly, the 2002 NSS characterization of the threats posed to the United States deliberately deprecates the conventional military threats of the past, most likely because there are no powerful states at the moment that seem willing or able to contest American power. The attacks of September 11 did not jeopardize the territorial integrity or political autonomy of the United States. What these attacks did appear to threaten was the quality of life of American citizens; most specifically, the ability of Americans to live free of fear. In other words, the relatively obvious and transparent traditional markers for the national interest seem to have been replaced in the NSS by a concern for a more amorphous set of considerations.

The NSS in fact explicitly proclaims these changed conditions at its very outset: “America is now threatened less by conquering states than we are by failing ones” (NSS, 2002, page 1). Curiously, however, while the document identifies a rather dramatic change in the character of the states posing threats to the United States (from strong to weak), it does not really identify a change in strategy to deal with these new threats. A state protects itself from a strong (“conquering”) state by building up the capability to deter, contain, or conquer, and typically these measures include a heavy reliance on military capability. But how does a state protect itself from a weak (“failing”) state?

One can only answer this question by raising a prior question: what types of security threats do poor states pose to powerful ones?

Global Poverty as a Threat to the National Interest of Global Stability

Powerful states have a vested interest in the stability of the international system, and one cannot overestimate the significance of global order to a powerful state. Through their power, these states have shaped the political, economic, and cultural rules and norms that maintain the system as a whole and have taken steps to assure that those rules and norms conform to their interests. American foreign policy since 1945 is a good example of the process: the United Nations system roughly reflects the republican form of representative democracy in the United States, and the Bretton Woods system (the International Monetary Fund, the World Bank, and the World Trade Organization) defends the rules of market capitalism.

There have been intentional challenges to this arrangement, most notably by the former Soviet Union. The United States interpreted this challenge as a national security matter of the utmost seriousness, and made strenuous efforts to reduce the Soviet threat. Since the Soviet collapse in 1991, no organized state has challenged the American system. Indeed, at the beginning of the 21st century, that system’s framework seems nearly universal. There are virtually no national
economies that exist outside of global markets, and few states fail to pay at least lip service to the idea of democracy or self-determination. Some analysts have interpreted these developments as a final triumph for liberal values, but such a conclusion is premature. It is safe to say, however, that at this particular moment in history, liberal values have attained a degree of universality that is both distinctive and powerful.

The United States has a strong self-interest in the perpetuation and maintenance of this system, which has as its dominant feature a dynamism that is usually referred to as globalization. About one-quarter of U.S. economic growth in the 1990s was derived from exports, and by virtually any measure the economic interests of the United States are now substantially coupled with the interests of other economic powers in the world. This interdependence is neither predetermined nor historically unique. It has, however, heightened the importance of global stability as a national interest of those states that are tightly integrated into the system.

Poor states are threatening to rich states because the weaknesses of poor states could be globalized, thereby destabilizing the entire international system. What is new and different about this threat is that, with few exceptions, it is not an intentional strategy. Poor states are not “enemies” of the international system, although the ramifications of their condition may undermine both the system as a whole and the quality of life in rich states in profound and potentially catastrophic ways. The threats posed by poor states are environmental, economic, and political.

**Environmental Threats**

The environmental threat posed by global poverty to the stability of the international system is obvious, direct, and dangerous. The NSS, however, mentions this threat only once and only peripherally. Both rich and poor states contribute to this stress, and rich states remain the primary offenders to the global ecosystem. But poor states contribute to environmental degradation in particular ways that reflect their constrained economic choices. The fundamental difference between rich and poor states is that some rich states lack only the will to address the problem; many poor states lack both the capability and the will.

For example, deforestation, a serious global problem, is particularly acute in poor tropical countries. The causes of deforestation are directly related to poverty, either because poor populations cut down trees to clear land for agriculture or habitation, or because a poor state cannot resist the short-term economic advantages of selling wood products to rich countries. Even the most stringent domestic or international regulations cannot protect the world’s forests as long as poverty restricts the ability and the will to focus on a long-term perspective. The same dynamic applies to almost every other environmental issue from global warming to resource depletion to water quality.

Poverty imposes a tyranny of the short-term perspective. While there is no necessary trade-off between economic growth and environmental protection in the long run, a poor state needs significant outside resources to realize both objectives simultaneously. This situation will only worsen over time, as poorer and more populated states become more integrated into the global economy and adopt the industrial techniques of the richer states. We already are witnessing the impact of Chinese industrialization on the availability of petroleum, and shall soon witness the effects of increased Chinese petroleum consumption on the global environment.

Indeed, the inability of poor countries to address environmental issues poses a serious threat to the quality of life, not just within the poorer countries but within richer countries as well. If, as many suggest, a global warming threatens potentially catastrophic consequences, then all nations will be affected, not just the people in countries that have been unable to reduce their emissions of greenhouse gases or to protect their forests serving as carbon sinks. More importantly, even heroic efforts on the part of some

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— Vincent Ferraro
countries to control their emissions will not substantially delay a possible disaster if a number of other countries refuse to cooperate.

States that do not include the environmental interests of all states within their understanding of their national interest cannot succeed in defending their national interest. Environmental issues transcend the distinction between global and national interests, almost to the point of rendering it meaningless. To ignore global environmental security is to sacrifice national environmental security.

**Economic Threats**

Similarly, globalization has succeeded in economically integrating a large number of countries—rich and poor—into world markets. Proponents of globalization assert that the process benefits all who participate, and there is little question that globalization stimulates widespread economic activity (Maddison, 1995, page 19). Increased global economic activity, however, has been accompanied by a dramatic worsening in global income inequality. The OECD study of the world economy from 1820–1992 and its data on GDP per capita growth led it to conclude that

the overall long run pattern of income spreads has been strikingly divergent....In 1820 the intercountry range (the distance between the lead country and the worst performer) was over 3:1, in 1870 7:1, in 1913 11:1, in 1950 35:1, in 1973 40:1, in 1992 72:1 (Maddison, 1995, page 22).

This pattern is increasingly unstable. High levels of economic activity are not sustainable in the face of dramatically escalating income inequality. As economic activity becomes ever more concentrated and larger populations are excluded from that activity, there are both short- and long-term risks to the global economic system.

The frequent debt crises since 1982 document the short-term risks of this growing inequality between rich and poor states. The total external debt of developing countries in 2001 amounted to about $2.3 trillion (World Bank, 2003, page 221), of which about 40 percent was owed to private lenders. These debts will never be repaid fully, and the rich countries have seemingly accepted this likelihood. But the debts cannot be completely forgiven without inflicting irreparable damage to the future integrity of the international financial system. Similarly, outright defaults on these loans would perhaps fatally undermine confidence in global capital markets and critically weaken specific banks with substantial outstanding loans.

Rich and poor nations are thus locked together in a mutual hostage situation. The economic security of rich countries requires a degree of economic development within poor countries to insure a sustained commitment to some level of debt repayment. The poor countries cannot honor this commitment without substantial support from the rich. Paradoxically, however, the problem of debt repayment has become so large that the rich states are more vulnerable to a default by a major debtor than the poor states are at risk of not being able to repay the debts. Rich states stand to lose more than just the interest payments on their loans if growing poverty in debtor nations forces a major default.

O’Rourke and Williamson assess the longer term risk of growing inequality in terms of a reaction against globalization itself. In assessing the dismal economic collapse of the 1930s, these scholars concluded that:

…..a political backlash developed in response to the actual or perceived distributional effects of globalization. The backlash led to the reimposition of tariffs and the adoption of immigration restrictions, even before the Great War. Far from being destroyed by unforeseen and exogenous political events, globalization, at least in part, destroyed itself (O’Rourke & Williamson, 1999, page 287).

The current evidence of such a backlash is suggestive, but inconclusive. There is, of course, a broad-based anti-globalization movement. But the greatest danger to globalization comes not from its opponents, but from its erstwhile supporters.

For example, when the Bush Administration imposed steel tariffs in 2001, the action signaled a rather dramatic change in its stated policy of free trade. The imposition
of tariffs was a concession to the American steel industry, which had argued that competition from abroad (from both rich and poor countries) was crippling its viability. One can more broadly interpret the action, however, as a decision by the U.S. government to transfer the economic weakness of its steel industry to other states. Similar actions in the areas of trade, capital flows, foreign investment, and immigration are underway in a large number of countries in the world. We do not know the point at which these actions may translate into a genuine economic contraction. But states that adopt a sustained commitment to a policy of contracting demand are acting contrary to their long-term economic interests.

A more productive approach would be to stimulate demand for troubled products. There are about two billion people in the world who cannot participate in any meaningful way in the global economy. There is a clear national interest in deepening the process of economic integration to include the global poor.

**Political Threats**

The NSS discusses to some degree the political threat posed by the poor. Its argument is familiar: poor people will resort to violence (either in the form of terrorism or through other criminal activities like drug smuggling) to change the political and economic system that they believe is responsible for their poverty. World Bank President James Wolfensohn also drew an explicit link between poverty and violence in 2001 when he spoke of the war on terrorism:

> It is hard to say when the war will be won. Getting our hands on Osama bin Laden or installing a new government in Afghanistan will only be the start of the process. The war will not be won until we have come to grips with the problem of poverty and thus the sources of discontent. Not just in Afghanistan, but also in the neighboring regions, in many other countries. This war is viewed in terms of the face of Bin Laden, the terrorism of Al Qaeda, the rubble of the World Trade Center and of the Pentagon, but these are just symptoms. The disease is the discontent seething in Islam and, more generally, in the world of the poor (World Bank, 2001).

While this political explanation of violence has a grain of truth, overall it is both misleading and dangerous. It is misleading because genuinely poor people do not themselves have the time nor the means to pose significant security threats. One of the greatest ironies of poverty is that being poor constitutes more than a full-time job; poverty dictates almost total attention to subsistence and no time for either leisure or plotting. Poverty is unquestionably a conditioning factor in resorting to violence—poverty itself is a ubiquitous form of violence. But the link between poverty and terrorism is, at best, tenuous. Terrorist leaders are rarely poor. Perhaps poverty may inspire willing foot soldiers for terrorist leaders, but terrorist organizers generally have their own agendas which have little to do, except rhetorically, with the alleviation of poverty.

The danger in identifying poverty as a cause of political conflict is that states will more likely respond with military or police force to eliminate threats, rather than initiating a more difficult and complex economic response to mitigate the source of those threats. States prefer to exercise their more traditional role as provider of physical security instead of intruding on the market with redistributive measures. Politically, it is far easier to pass appropriation bills for the military than to fund foreign aid.

Posing the poor as a military threat also plays into the hands of the state, which has its own reasons for retaining and enhancing its monopoly on violence. Moreover, this tactic reduces profoundly whatever sympathy those who are better off may have for the poor. These outcomes are dangerous. After the collapse of the Soviet Union, the mission of the U.S. armed forces became opaque. Recent attempts to clarify that mission have all centered around vague and ill-defined threats from: (a) “rogue” or failed states; or (b)
terrorist groups, all of whose members purportedly come from poor states like North Korea, Iran, and Iraq. Unquestionably, these states and groups have interests in changing the current global distribution of power. That all of these interests are primarily rooted in the desire to eliminate global poverty is nonsense. The poor are everywhere and they are numerous. If we allow their very existence to be used as a justification for increasing the coercive power of the state, then no action or capability will be denied to the state. Global poverty is undoubtedly a source of great instability in the world, but it is probably far better and more accurate not to emphasize that link in military terms.

The real political threat is that the deepening divide between rich and poor states creates the illusion of separate worlds, one in which genuine cooperation among states becomes impossible. Poverty undermines the political legitimacy of the richer states: expressions of concern for political freedoms within poor states ring hollow as long as desperate economic conditions fail to elicit concrete action.

**Conclusion**

The national interests of states are no longer “national.” September 11 underscored the realities of a globalized world: that security can no longer be guaranteed by a strong military, and territorial borders are highly permeable and increasingly trivial when defending the quality of life for domestic populations. This commentary has examined only three examples of how the national interests of rich states are fundamentally compromised by the weaknesses of poor states, even in the absence of any intention to threaten harm. The list could be easily expanded to include questions of corruption, disease vectors, migration, and the like. Rich states cannot afford the indulgence of pretending that poor states are not an integral part of the world system. The unforgiving imperatives of poverty can no longer be sealed off from the welfare of all.

A reformulation of the national interest to include global interests is necessary because our world scarcely resembles that of 17th century Europe, when the global population was less than a billion, the overwhelming human activity was agricultural, and few people ever traveled more than ten miles from their birthplace. Territorial integrity and political autonomy will always be important to states, but the threats now facing states do not respect or even acknowledge those parameters. The processes that have made human activity more integrated have led to both good and bad outcomes, the worst of which was the creation of global poverty and the explosion of the number of people who live in these circumstances.

Rich states no longer can ignore this truth. Hobbes needs to be updated: the life of states may still be poor, nasty, brutish, and short, but it is no longer solitary. The illusion of hermetically-sealed and self-reliant security is naïve and dangerous.

**Notes**

1 For example, Mexico in 1982, Mexico again in 1995, several Asian countries in 1997, Russia in 1998, and Argentina in 2002.

**References**


Imagine the following advertisement for Al Qaeda: “Wanted: Educated individuals (preferably with a graduate degree in a technical field) who have foreign-language skills (preferably fluency in English) as well as a deep antipathy to their own and others’ political leaders. Must be comfortable with violence and available for training and important assignments in foreign countries during a period of months or years.”

The terrorists of Al Qaeda were educated, from well-off families, and mostly from countries that have long ago graduated from the category of the world’s poorest. It was not poverty that motivated them. Indeed, we do not know for certain what led them to terrorism—perhaps disgust with their own often-corrupt governments; a sense of humiliation by the West; religious fanaticism, boredom, and alienation; or perhaps dim prospects for a fulfilling career. But their motivation was not fighting poverty. Nor, as far as we know, were they reacting to the vast disparities (both in wealth and in numbers) between the very poor and the very rich either in their own societies or in the world at large. The poor do not have the time, the resources, or often even the physical health to get an education, to experience ennui, or to fly airplanes into tall buildings. For the just over one billion people who each live on $1 per day, it is simply often an exhausting task to get an adequate meal or two every 24 hours.

Poverty does not produce terrorists. And eliminating poverty—something dearly to be desired by all civilized beings—is not likely to eliminate terrorism. Consider some of the world’s well known terrorist groups in recent years: the Irish Republican Army; the ETA in Spain; the Red Army and Aum Shinriko in Japan; the Bader-Meinhof Gang in Germany; Timothy McVeigh and militia groups in the United States; Hamas in Israel and Hezbollah in Lebanon; the FARC in Colombia; the Tamil Tigers in Sri Lanka; the Pakistanis in Kashmir; and the Chechens in Russia. Few if any of these groups are rooted in poverty or have the goal of its elimination. In some circumstances, reducing poverty could well increase the pool of potential terrorists—if educated young people who are angry because they lack job or life prospects buy into ideologies or religious movements that urge them to violence.

This commentary first considers the causes of terrorism in the world today. Then
it inquires into the precise relationship between poverty and terrorism. Finally, it asks what we can do to eliminate terrorism and insecurity.

**Causes of Terrorism**

The three elements common to all terrorism are: (1) a grievance that the terrorists are protesting and perhaps trying to resolve; (2) an ideology or set of beliefs that identify and explain the grievance and what to do about it; and (3) a belief that terrorism can contribute to that grievance’s solution. (I am including neither criminal and drug networks nor warlords in my collection of terrorists. Although categories may blur at times, these latter groups operate primarily for their own gain rather than to address a real or perceived societal wrong.)

Terrorist grievances are often over land, assets, or other resources—in essence, who should control them. Grievances can also be over values—for example, the perception that an ethnic, religious, or political organization is encroaching on others’ rights or that a society is flawed in some fundamental way and must be reformed. These grievances may be real (as in Kashmir or Israel) or imagined (as in the case of Timothy McVeigh or Aum Shinrikyo).

Terrorist ideologies may be based on ethnicity, nationalism, religion, or the worldview of a charismatic terrorist leader. And terrorists act because they think they can achieve their goals—usually in the hope that the state in which they act will be too weak to apprehend them or prevent such acts in the future.

**Poverty and Terrorism**

Despite the assumptions often made in the wake of the attacks of September 11 that world poverty was somehow a source or motivation for those attacks, terrorist grievances almost never include poverty. Others (especially in Europe) argue that poverty breeds the discontent that leads to terrorism. This argument is much like one heard during the Cold War—that poverty bred discontent and discontent increased the allure of communism, or led to chaos that opened opportunities for communist gains. Eliminating poverty was, therefore, important to eliminate the causes of discontent, violence, radicalism, and (now) terrorism. But if either of these causal chains were true, much of the world would surely now be communist-dominated or engulfed by terror and violence.

So the relationship between poverty, terrorism, and ultimately U.S. national security is not a simple and direct one. Might there be more subtle and indirect ties between poverty in the world and security in the United States? Certainly, the vast differences in wealth, education, health, and life prospects among and within countries can feed a general sense of social injustice and righteous anger on the part of those—often youth—who are sensitive to such issues. But while this sense of social injustice may trigger anti-globalization protests, it does not appear to be sufficient by itself to promote organized violence against symbols of wealth.

In some cases there does appear to be an indirect relationship between poverty and the poor governance (corruption, exclusion, and repression) that can lead to civil violence and state collapse. These conditions, in turn, can spread throughout a region, producing widespread insecurity and possibly creating havens for terrorists or criminals who can organize and attack targets elsewhere, including in the United States. These conditions of civil violence and state collapse do tend to concentrate in poor countries (especially in Africa) such as Somalia, Liberia, Sierra Leone, the Democratic Republic of the Congo, and Sudan. However, not all cases of civil violence and state collapse occur in the poorest countries (see Colombia, Algeria, and Chechnya), and not all poor countries suffer from such violence—suggesting that poverty is far from being a direct trigger of these problems.

But it may be difficult to hold governments accountable in places where populations lack education and information...
and poverty is widespread. Such countries are vulnerable to crime and thuggery, to the evaporation of rule of law and political institutions, and to the repression of dissident groups (which are often ethnically or religiously distinct)—all factors which may provoke internal violence and chaos. Reducing poverty and improving education, health, and the economic well-being of a population may, all things being equal, lead to better governance over time and fewer opportunities for terrorist or criminal elements to operate in these countries. But there is still much we do not know about the interrelationships between poverty, governance, civil violence, and international terrorism and criminality.

The risk in justifying U.S. global anti-poverty policies and programs as anti-terrorist or as in the interests of national-security initiatives is that such labeling could ultimately be counterproductive for those policies and programs. If the United States spends more on foreign aid to help reduce poverty in the world in order to reduce terrorism and the threat of terrorism fails to abate, support for foreign aid (which can help promote growth, poverty reduction, and many other desirable changes) could well erode in Congress and among the public.

So if poverty is not a major or direct cause of terrorism, and if eliminating poverty will not eliminate terrorism, is there anything outside of military or intelligence options that the United States can do to fight terrorism?

**Alternative Options for Addressing Terrorism**

Short of the use of force, policymakers have several options for addressing the underlying conditions that feed terrorism. The first is to address the disparate issues that are triggering terrorist activities. The United States and other countries can act as mediators for agreements between governments and discontented ethnic, religious, and other groups (as in the case of Northern Ireland). But such diplomatic efforts take time, energy, and resources—items things in scarce supply for United States and other governments.

A second approach is to press and persuade governments to relax their repressive policies, eliminate corruption, open up their political processes, and finance activities aimed at strengthening the rule of law, civil society, democratic political institutions, and elections. If this sounds like pie in the sky, it was U.S. policy in Central America during the 1980s—and that policy now appears to have contributed to improved security and human rights in the region. But policies promoting democratization and improved governance also take time, patience, and resources.

A third approach is to help strengthen the internal security of countries plagued by terrorist activities. It is clear, unfortunately, that no country is immune to such activities—not even the United States with its home-grown, violence-prone groups such as the Aryan Nation. When such groups sense that security is inadequate, they will act. Of course, when a government’s own corruption and repression has provoked civil violence and terrorism, strengthening the security forces of that government can exacerbate the underlying causes of dissent. But fortifying national security forces in selective cases can be an important and effective way to fight terrorism.

One further approach to reducing the underlying causes of terrorism and insecurity involves addressing stalled development instead of poverty per se. Societies that educate their youth but cannot provide them with jobs or the possibility of fulfilling lives create pools of vulnerable young men (and in some cases, young women) who can be drawn into
Widespread poverty, hunger, and inequality contribute to instability at the local, national and international levels and create national security risks for the United States. Failure to deal with these problems will render current military efforts ineffective in dealing with the threat of terrorism against the United States and other high-income countries. It is also ethically and morally wrong that a large share of the world’s population suffers from poverty and hunger in a world as rich as ours. In addition, global poverty and its consequences are a tremendous human waste, reflected in reduced economic growth and development for all—poor and non-poor. No society—national or international—will be secure when material inequalities and material deprivations are as extreme as they now are. People without hope and with little or nothing to lose have little stake in the status quo. They are susceptible to terrorist appeals. As stated by U.S. President George W. Bush: “A world where some live in comfort and plenty while half of the human race lives on less than $2 a day is neither just nor stable” (Office of the Press Secretary, 2001).

We must try to understand the frustration, hopelessness, and anger of the many millions of people who are poor, hungry, and without opportunities to escape poverty. We must then tailor our efforts to assure a stable and secure world accordingly.

**The State of Poverty, Hunger, and Inequality**

Poverty, hunger, and inequality cause serious deprivation for more than 20 percent of the world’s population. More than one billion people earn less than a dollar a day. Eight hundred million people suffer from hunger and food insecurity, and one-third of the preschool children in developing countries suffer from malnutrition—causing the death of 5–10 million of these children every year. The current level of global effort will meet neither the World Food Summit goal of reducing the number of hungry people from...
800 million to 400 million by 2015 nor the Millennium Development Goal of cutting in half by that year the percentage of the population that is hungry. Outside China, the number of hungry people in developing countries increased by 40 million in the 1990s. During the same decade, the number of hungry people increased in more than one-half of all developing countries—and only one-third of these countries experienced an improvement (FAO, 2002). A continuation of recent trends will result in more rather than fewer hungry people in the world outside China.

As for global inequality, the richest one percent of the world’s population earns as much as 57 percent of the rest (UNDP, 2002). And relative global income distribution is getting worse. In 1960, average per capita incomes in industrialized countries were nine times the average per capita income in sub-Saharan Africa. Today, they are 20 times greater. Between 1990 and 2000, per capita incomes increased by close to $5,000 in high-income countries, but by only $40 in low-income countries. Per-capita incomes decreased by about $20 over the same decade in sub-Saharan Africa.

Links to Instability

There is much evidence that poverty and inequality contributes to national instability and armed conflict (Messer et al., 2001). Large numbers of people who are hopeless and have nothing to lose provide the foundation and the perceived justification for crime, unrest, and other forms of instability—perhaps even revolution, and certainly terrorism. Social injustice provides the foundation or the perceived justification and passion for developing the infrastructure to support terrorism. It is true that terrorists generally are not poor—but they receive their justification and support from widespread human misery and hopelessness, and they thrive in collapsed states.

The worldwide urbanization of poverty also accelerates the risk of instability. Widely dispersed poor people in rural areas are much less likely to consolidate their power and anger to threaten stability than are high concentrations of urban poor. The urban population of developing countries will double during the next 20 years, and poverty will increasingly move from rural to urban areas (Rosegrant et al., 2002). The relationship between poverty and inequality (on the one hand) and instability and crime (on the other) is already well known in urban settings, and well-off residents of these cities have been spending rapidly increasing amounts of resources on protection over the last 10 to 20 years. For example, some members of São Paulo’s upper class have developed “fortified enclaves”—privatized, enclosed, and monitored spaces for residence, consumption, leisure, and work (Caldeira, 2000). But such behavior attacks the symptoms rather than the causes of social injustice and instability.

Similarly, mobilizing the military in response to international terrorism without at the same time making major gains in the war on poverty, hunger, and related human misery addresses symptoms rather than causes. As illustrated by the atrocities of September 11, it is unlikely that rich societies can insulate themselves from the consequences of collapsed states and extreme human misery and hopelessness elsewhere (Gray, 2002).

Globalization is upon us for good or evil. With globalization of information, poor and
hungry people in developing countries are becoming more aware of how the non-poor in the industrialized countries live. Failure to deal with poverty, hunger, and inequality may push rich countries to adopt measures similar to those adopted by rich people in poor countries—resulting not only in “cities of walls” but “countries of walls.”

The richest one percent of the world’s population earns as much as 57 percent of the rest.

—Per Pinstrup-Andersen

**The Lack of Accountability**

One important reason for increased global instability is that globalization has proceeded faster than the development of appropriate global institutions, leading to international accountability problems. National governments are generally accountable—if at all—only to national constituencies. However, as globalization proceeds, national policy decisions will have increasing and increasingly significant international implications and effects. Weak international democratic processes and poor representation of population groups in these processes add to the lack of international accountability, as does the fact that many national governments do not represent poor people in their own countries.

Poor countries are also inadequately represented in international institutions such as the WTO and the World Bank. Global institutions to help assure accountability of multinational corporations and nongovernmental organizations across national borders are also urgently needed if globalization is to reduce poverty, hunger, and global instability. Street violence is not an effective substitute for such institutions.

Lack of international accountability is reflected in other ways. For example, targets agreed upon in international declarations are not being met or even taken seriously by many national governments. An ongoing review I am currently doing with the International Food Policy Research Institute (of targets agreed upon at 23 international conferences related to food, agriculture, gender, poverty, population, and the environment) shows that virtually none of these goals is being met.

**What to Do?**

First, we need institutional innovation in the international arena that will help assure accountability, participation, and empowerment of the poor. We must also deal effectively with the international spillovers of national actions in such areas as trade, environment, health, security, poverty and hunger, labor and capital flows, technology, drugs, and terrorism.

Unilateral behavior by nations is incompatible with mutually beneficial globalization. The failure of the United States (and other countries) to join the Kyoto Protocol on climate change and to ratify international treaties on land mines, the international criminal court, chemical and biological weapons, and nuclear proliferation makes it very difficult to achieve international accountability by national governments.

This lack of international accountability is exemplified by the trade-distorting agricultural policies in the United States, the European Union, and Japan. These policies have severe effects on developing countries. Tariffs and other import barriers as well as export subsidies, excessive food aid, and other surplus-disposing and price-depressing mechanisms limit the access of developing countries to industrialized country markets and damage agricultural markets in developing countries. Since 75 percent of the world’s poor and hungry people reside in rural areas of developing countries and depend mostly on agriculture (either directly or indirectly), such trade-distorting agricultural policies contribute to the continuation of poverty, hunger, and hopelessness.

Agricultural subsidies currently amount to roughly $1 billion per day—of which 80 percent is spent in industrialized nations. These subsidies are linked to quantity produced or area used for production—resulting in expanded production and further downward pressures on prices, which in turn lead to trade-distortion. Industrialized nations who wish to transfer income from taxpayers and consumers to farmers and other rural residents should do so in a way that does not distort...
trade. Alternative approaches include direct payments to rural residents and payments to improve natural resources and rural landscapes.

Second, developing countries—particularly low-income ones—desperately need to (a) expand investment in the creation of public goods, and (b) improve governance.

The creation of public goods is key to successful private-sector development, economic growth, and the eradication of poverty and hunger in low-income developing countries. Public investment in agricultural research is especially and urgently needed in these countries. Productivity increases in agriculture are critical for both poverty alleviation and sustainable management of natural resources. Developing countries spend only 0.6 percent of the value of the agricultural output on agricultural research, compared to 5 percent in the United States. While private-sector agricultural research is gaining increasing importance in industrialized countries, public investment is needed to generate the public-goods technologies needed for small farmers in developing countries.1

Investments are also urgently needed in the rural infrastructure of developing countries, particularly but not exclusively for rural roads. The development of common standards and measures, enforcement of contracts, and a number of other institutional developments are needed to make private markets work in rural areas. In addition, developing countries desperately need to make larger investments in health care, education, and clean water.

Such investments in the development of the human resource should also be accompanied by policies to assure access by the poor to land, credit, and employment. Results from recent research in China and India conclude that public investment in rural roads, agricultural research, and primary education yielded the highest economic returns as well as the largest impact on poverty alleviation (IFPRI, 2002).

In addition, good governance is of critical importance to the eradication of poverty and hunger. A move to good governance would include the elimination of corruption and the development of participatory decision-making approaches as well as enhanced political will to deal with the problems of the poor and hungry. Policies to assure property rights and to promote collective action in rural areas are also crucial; such policies help assure that the rural poor have access to land and other natural resources.

Third, policies and public investments are needed to help people out of hunger and poverty in the short run.

Such policies should include targeted subsidies and safety nets. Low-income people have very little buffer in the face of adverse developments such as drought, loss of employment, large drops in the prices of the commodities they produce, and illness. Coping mechanisms—such as credit and savings institutions, public works, and other institutions—should be designed and implemented with due consideration to existing social capital. Successful efforts include microcredit schemes for the rural poor in Bangladesh and many other developing countries and food and cash distribution programs in Mexico and several other developing countries.

Fourth, development assistance must be expanded—primarily to assist the poor and hungry to improve their situation, but also to improve national and international stability and to reduce the risk of future terrorism. As former U.S. Secretary of State Madeleine Albright testified recently before the Senate Foreign Relations Subcommittee on International Operations and Terrorism: “Our international assistance programs are not money down a rat hole. They are poison down the snake hole of terrorism; helping to choke off the hatred, ignorance, and desperation of upon which terrorism feeds.”

More development assistance will also expand mutually beneficial trade. Experience from Southeast Asia shows that rapidly growing developing countries provide very strong markets for U.S. agricultural and nonagricultural goods and services. One can only begin to imagine how U.S. exports and employment could benefit from rapid growth
in Africa.

Unfortunately, when measured as a percentage of national income, development assistance given by the United States trails all other OECD countries. While these countries agreed many years ago to provide development assistance in the amount of 0.7 percent of national incomes, the United States currently provides one-tenth of that level. This corresponds to an annual development assistance of $36 for each American citizen. The recent announcement by President Bush to increase development assistance by US$5 billion per year—equivalent to a little less than $18 per American citizen—should be welcomed, and effort should be made to assure that these additional funds (if approved by Congress) will be appropriately targeted for the benefit of the poor and hungry.

Future development assistance must be targeted on improving the human resource, on increasing productivity in agriculture, on improving rural infrastructure, on access to land, improved governance, and on reducing armed conflict and instability both nationally and internationally. Development assistance should help guide national policies for increased efficiency and improved social justice, and strong efforts should be made to create national institutions that correspond to the needs of true international accountability and participation within a more globalized world.

**Conclusion**

Military might alone will not eradicate the threat of terrorism. But removing root causes of instability such as poverty, hunger, and social injustice will reduce the risk of future conflict and terrorism. Dealing effectively with these issues is also the right thing to do from both a humanitarian and an economic point of view.

If the root causes of instability are not effectively dealt with, we will need to invest increasing amounts of money to build both real and virtual walls around us to protect ourselves, much as the rich try to do in São Paulo. But no wall will be high enough or strong enough to assure stability in an unjust world.

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**Note**

1 In some cases—such as the rapid expansion of the use of Bt cottonseed in China, India, and South Africa—technology produced by the private sector for use in industrialized countries may be readily adaptable to the production by small farmers in developing countries. However, this adaptability is likely to be the exception rather than the rule.

**References**


While the United States enjoyed rapid economic growth during the past 20 years, many poor countries, including some of the world’s poorest in sub-Saharan Africa, experienced a generation of outright decline in living standards. And while private consumption–spending per capita in the United States rose by 1.9 percent per year from 1980–1998, such spending declined on average by 1.2 percent per year in sub-Saharan Africa (World Bank, 2000). Is there a “strategic significance” to global inequalities in income levels and economic growth? And, if so, which policies might the United States pursue to address those strategic concerns? Focusing on the scope and limitations of U.S. foreign assistance as a policy instrument to address global income inequalities is illuminating.

The economic success of developing countries enhances the well-being of the United States, which has and should more actively deploy policy instruments to help support economic success abroad. National interests in successful economic growth abroad are multifaceted. Some of these interests are basically economic: the economic success or failure of developing countries determines the gains from trade and investment that the United States reaps in its economic relations with those countries.

However, the ramifications for the United States of good or bad economic performance among poor countries go beyond direct economic returns. As a general proposition, economic failure abroad raises the risk of state failure as well. When foreign states malfunction (in the sense that they fail to provide basic public goods for their populations), their societies are likely to experience steeply escalating problems that spill over to the rest of the world, including the United States. Failed states are seedbeds of violence, terrorism, international criminality, mass migration and refugee movements, drug trafficking, and disease.

If poor countries had reliably stable and functional state institutions, global poverty