

CSIS

CENTER FOR STRATEGIC &
INTERNATIONAL STUDIES

BURKE CHAIR
IN STRATEGY

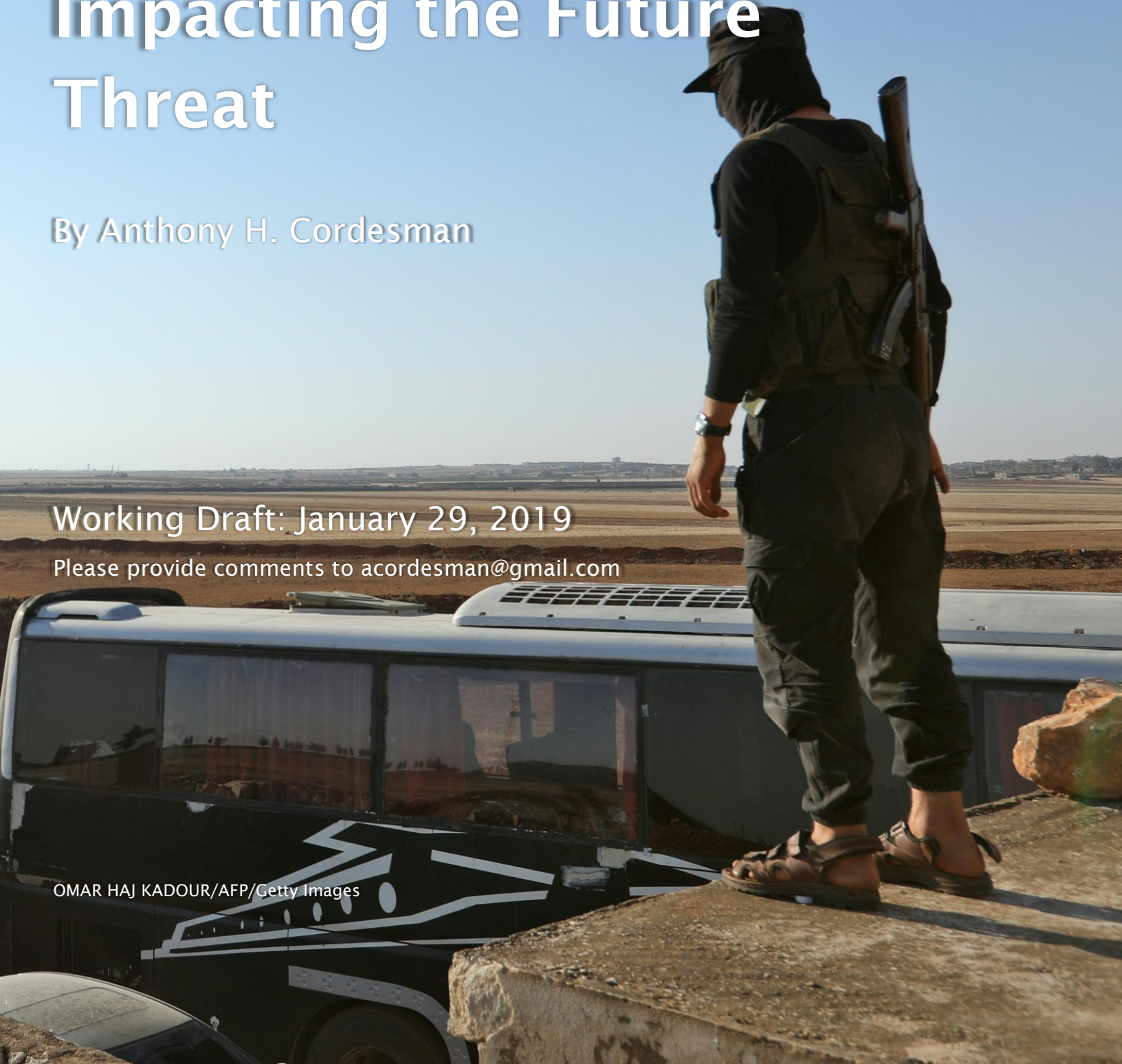
The Trends in Islamic Extremism: Factors Impacting the Future Threat

By Anthony H. Cordesman

Working Draft: January 29, 2019

Please provide comments to acordesman@gmail.com

OMAR HAJ KADOUR/AFP/Getty Images



The Trends in Islamic Extremism: *Factors Affecting the Future Threat*

Anthony H. Cordesman

It is far from clear that Al Qaida or ISIS can ever be fully defeated. The ISIS “caliphate” may be largely broken up, but substantial elements of both movements remain. New movements may emerge, and other movements may grow, and the demographic trends of Muslim-majority countries are a powerful warning that extremism may be a threat for decades to come.

The Focus of the Briefing

This briefing focuses on several key trends in Islamic extremism and terrorism. In the process, it addresses an extraordinarily complex and uncertain mix of variables – ones where there is little agreement among experts on the relative nature and importance of any given factor, much less how they interact, and the relative importance of any given one on the overall mix of forces that are shaping the future of the trends in violent Islamic extremism.

There are, however, enough data to provide considerable insight into the developments in many of these variables. These data warn that Islamic extremism is driven by forces that may vary from country-to-country and movement-to-movement but are shaping the politics and stability of many countries in the Islamic world and that will inevitably impact Muslims outside of it.

They warn that Islamic extremism is likely to be a serious challenge for at least the next decade, and its underlying causes are so strong and serious that they can only be addressed by policies that mix efforts to remove the underlying causes illustrated in this analysis, or by efforts to contain the threat to key high-risk countries.

This does not mean, however, that working with strategic partners in largely Islamic countries will not help them maintain stability and limit the threat of extremism violence to acceptably low levels in many cases. Islamic extremism & terrorism pose a serious transnational threat, but they are only serious in states that fail to meet the critical needs of a major part of their population. The threat can be addressed on a country-by-country basis, and in many cases limited U.S. support and resources can make a critical difference.

It also does not mean that the U.S. and many countries that have Muslim minorities cannot largely eliminate the threat by adopting policies that recognize that the vast majority of Muslim are not extremists and do not pose a threat, and that offering Muslim citizens and immigrant the dignity, opportunity, and equality that all men and women deserve will not keep domestic terrorism to minimal levels. In such cases, human rights and respect may often be the best form of counterterrorism.

Methodology

The methodology used in this briefing addresses issues and trends raised in a number of previous Burke Chair studies. These include:

- Instability in the MENA Region, Afghanistan, Pakistan, and Key Conflict States: A Comparative Score Card, <https://www.csis.org/analysis/instability-mena-region-afghanistan-pakistan-and-key-conflict-states-comparative-score-card>.

- *Tracking the Trends and Numbers: Islam, Terrorism, Stability, and Conflict in the Middle East*, https://csis-prod.s3.amazonaws.com/s3fs-public/publication/170215_MENA_Islam_Terrorism.pdf?UpPJuw1I6XYXw1d14igmZrCeraXLYXj
- The Underlying Causes of Stability and Instability in the Middle East and North Africa (MENA) Region - Analytic Survey and Risk Assessment - <https://www.csis.org/analysis/underlying-causes-stability-and-instability-middle-east-and-north-africa-mena-region>

It updates key data in these previous studies, adds new analyses, and concentrates on two key sets of variables. The first set includes some key variables that make Islam and Islamic extremism different from other forms of extremist violence. The second set deals with the secular factors that turn many largely Islamic countries into “failed states” and their importance in creating extremist minorities.

It is important to stress that this brief is not a full-scale analysis. It deliberately highlights a limited set of variables without making any judgments about the full range of such variable that need to be considered or how each variable should be weighted in importance relative to the others.

Table of Contents

The brief provides a summary narrative to introduce each section, and relies on tables and figures to support key points. The Table of Contents are shown below:

Table of Contents

IS ISLAMIC EXTREMISM DIFFERENT?	4
LIMITS ON UTILITY IN ATTEMPTING TO UNDERSTAND AND ANTICIPATE THE LIFE CYCLE OF ISLAMIST MILITANCY	4
<i>Figure 1: MENA Before Islamic Extremism: Dysfunctional & Divided, Authoritarianism and Civil War</i>	7
<i>Figure 2: The Rising Global Impact of Islam: 2010-2050 – I</i>	8
<i>The Rising Global Impact of Islam: 2010-2050 - II</i>	9
<i>The Rising Global Impact of Islam: 2010-2050 - III</i>	10
<i>The Rising Global Impact of Islam: 2010-2050 – IV</i>	11
<i>Figure 3: Religion is an Important Part of Your Daily Life (% responding ‘yes’)</i>	12
<i>Figure 4: Public Perceptions of the Importance of Sharia: 2015</i>	13
SCOPING ISLAMIC EXTREMISM AND TERRORISM	14
<i>Figure 5: Map of START Estimate of Attacks in Key Islamic Areas in 2017</i>	16
<i>Figure 6: The Clash within a Civilization: Rise of Terrorism in Heavily Islamic Regions 2010-2017</i>	17
FOCUSING ON THE MENA REGION	18
<i>Figure 7: Conflict and Extremism: Arabs are 5.2% of Global Population, But...</i>	20
<i>Figure 8: The Rise of Terrorism in the MENA Region: 2010-2017</i>	21
<i>Figure 9: Positive vs. Negative MENA Popular Views of ISIS</i>	22
<i>Figure 10: Muslim Views on Al Qaeda in 2013 and 2014 (Pew)</i>	23
<i>Figure 11: Small Percentages of Support for</i>	24
<i>Groups Like IISS Can Still Matter</i>	24
<i>Figure 12: Extremist Cadres Can Be Small and Still Succeed:</i>	25
<i>Foreign Fighters Are Negligible Part of Population Base: 5/2015</i>	25
KEY NON-IDEOLOGICAL FACTORS LEADING TO THE RISE OF ISLAMIC EXTREMISM: THE MIXTURE OF CIVIL FAILURE AND VIOLENCE, DIVISION, AND REPRESSION	26
<i>Figure 13: Economic Factors Dominate Perception of Challenges:</i>	28
<i>Figure 14: The Edge of Repression and Impact of Failed States</i>	29
KEY FACTORS LEADING TO THE RISE OF ISLAMIC EXTREMISM: ETHNICITY, SECT, TRIBALISM, REGIONALISM	30

<i>Figure 15: Ethnic Divisions in the MENA</i>	31
<i>Figure 16: Sectarian Divisions in MENA</i>	32
<i>Figure 17: The Broader “Kurdish Problem”</i>	33
KEY FACTORS LEADING TO THE RISE OF ISLAMIC EXTREMISM: DEMOGRAPHICS, YOUTH BULGE, BREAKDOWN OF TRADITIONAL ORDER	34
<i>Figure 18: The Middle East: Demographic Pressure: 1950-2050</i>	36
<i>(In Thousands)</i>	36
<i>Figure 19: Demographic Pressure in Gulf Countries: 1950-2050</i>	37
<i>(in Thousands)</i>	37
<i>Figure 20: The “Youth Bulge”</i>	38
<i>(Percentage of Native Population Below 25)</i>	38
<i>Figure 21: Total and Youth Unemployment Rates by Region (2008)</i>	39
<i>Figure 21: Comparative Youth Unemployment Rate</i>	40
<i>Figure 23: Youth perceptions: What do you believe is the biggest obstacle facing the Middle East?</i>	41
<i>Figure 24: Afghanistan: Youth Bulge (15-24 years of age) and Employment</i>	42
KEY FACTORS LEADING TO THE RISE OF ISLAMIC EXTREMISM: HYPER-URBANIZATION	43
<i>Figure 25: Hyper Urbanization in the Gulf: 1950-2030</i>	44
<i>Figure 26: Percentages of Urbanization the MENA in 2018</i>	45
<i>Figure 27: Afghanistan: The Urban Rural Youth Employment Gap</i>	46
KEY FACTORS LEADING TO THE RISE OF ISLAMIC EXTREMISM: CORRUPTION, GOVERNANCE, SECURITY, RULE OF LAW	47
<i>Figure 29: Transparency International Corruption Perceptions Ranking in 2017 (Out of 180 Countries)</i>	48
<i>Figure 30: Syria: Failed Governance</i>	49
<i>Figure 31: Iraq: Failed Governance</i>	50
<i>Figure 32: Afghanistan: Failed Governance</i>	51
KEY FACTORS LEADING TO THE RISE OF ISLAMIC EXTREMISM: POVERTY” – IMPACTED BY CRONYISM, NEPOTISM, DEAD END CAREERS, LOSS OF MIDDLE-CLASS STATUS, POLITICAL ALIENATION	52
<i>Figure 33: GDP Per Capita By Country: 2017</i>	53
<i>Figures 34: Decline in UN Human Development Index: 1980-2013</i>	54
KEY FACTORS LEADING TO THE RISE OF ISLAMIC EXTREMISM: THE “2001,” “2003,” AND “2011” EFFECTS: HOW DO ISLAMIC CONFLICT STATES RECOVER?	55
<i>Figure 35: Iraq: Human Costs</i>	61
<i>Figure 36: Syria: Human Costs</i>	62
<i>Figure 37: The Opportunity Cost of Conflict: Loss of GDP in Iraq & Syria</i>	63
<i>Figure 38: Yemen: World Bank Poverty Warning</i>	64
<i>Figure 39: Afghanistan: World Bank Poverty Warning – I</i>	65
<i>Figure 39: Afghanistan: World Bank Poverty Warning – II</i>	66

Is Islamic Extremism Different?

The first set of variables focuses on the question: is Islamic extremism different than other forms of extremism?

At one level, the answer is obvious. All forms of extremism differ to some degree, and the ideology, strategy, tactics, and character of extremism differs somewhat from movement-to-movement, actor-to-actor, and country-to-country.

At another level, many of these differences have only a limited impact on actual behavior, and often represent more a struggle for power and influence within a given mix of extremists rather than a focus on ideological principles and core values. The difference between Islamist, communist, fascist and anarchist is very real at an ideology level. The difference in behavior and willingness to use violence can often be far smaller.

Limits on utility in attempting to understand and anticipate the life cycle of Islamist militancy

Many Islamic countries have a long history of internal and external violence, but this violence often grew out of civil conflicts rather than ideological extremism from roughly the collapse of the Turkish Empire to the fall of the Shah of Iran and the First Gulf War in 1990-1991. Some key examples are shown in **Figure 1: MENA Before Islamic Extremism: Dysfunctional & Divided, Authoritarianism and Civil War.**

A History of Failed Secularism

The history behind such examples and events warns both how often other forms of extremist violence have occurred in the Islamic countries in the Middle East and North Africa, and how often efforts at secular revolutions, nationalism, and governance have failed the peoples of a given state.

Much of today's extremism, terrorism, violence, and civil conflicts in the MENA grew out of the failures of governments to deal with the secular issues shaping popular perceptions of national politics, the effectiveness and integrity of a given government, and its use of violence. They are products of the extent to which the local rule of law failed to provide adequate security for all major national factions and elements, and of a given state's use of force against its own population and/or its success in war.

The incidents, revolutions, wars, and Arab nationalism summarized in Figure 1 created a long history of unmet expectations, failed secularism, and failed states.

If one considers the impact on the ability of such developments to help understand and anticipate the life cycle of Islamist militancy, they include the following factors and questions:

- All successful extremism has some origins in failed states, past defeats, internal divisions, demographics and/or social and economic forces.
- However, anarchism, communism, and fascism all focused on radical solutions to secular problems.
- Most radical (and violent) Arab and other movements in Islamic countries did focus on nationalism and/or socialism, from WWI to 1990-2011.
- However, most current Sunni Islamic extremism (not Shi'ite) now focuses on return to religion, will of God, to find solutions.
- Much of the momentum behind Islamic militancy is a reaction to decades of failed secularism – nationalism, socialism, military rule, and “democracy.”

- Some surveys show that Islam is emerging as a major shift in global role of religion in shaping human behavior.
- How dysfunctional does “God” (religious regression) have to be to fail as a violent political ideology? How does failing change ideology?

The history of the events that shape the points raised in **Figure 1** also suggests that,

- Stable heavily Islamic states can generally cope with extremism; failed states cannot.
- States fail for very different reasons, but...
- Non-ideological solutions like effective and honest governance, economic stability and progress, relatively equality, working rule of law, sharply limit impact of extremism.
- Military solutions and/or repression can succeed for a while, but often fail if they do not deal with fundamental problems in the state. (Algeria/Syria)
- Once extremism takes control of the actual apparatus of the state, it can take decades to fail: Russia, China, North Korea.

These factors – particularly the sheer scale of failed secularism in the Middle East and other Islamic states – which is addressed later in this brief – do make Islamic extremism different in several ways that go beyond the ideological differences and nuances that divide Islam from other religions and Islamic sects from each other.

The Different Impact of Islam on Governance and Social Order

There are, however, other major factors. One is the combined impact of religion and demographics shown in **Figure 2: The Rising Global Impact of Islam: 2010-2050**. This Figure is based on a study and survey by the Pew Trust. The three parts of this figure raised several key issues:

- Muslims are by far the fastest growing element in the world’s religions and will grow from 23.2% of the world population in 2010 to 29.7% in 2050 – a rise of 1.6 billion people or 73%. They are far more actively committed to tying their active lives to their faith than those affiliated with other religions.
- The population of other major religions will be static or decline as a percent of the world’s total population.
- Much of this growth will fundamentally change the impact of Islam in South and Central Asia, Southeast Asia, Sub Saharan Africa, Africa Europe.

Figure 3: Religion is an important part of your daily life? draws upon a UNDP survey to illustrate the extremely high average importance Muslims place on Islam as part of their daily life.

Figure 4: Public Perceptions of the Importance of Sharia shows that average Muslims in Muslim-majority countries put far more weight on the extent to which their government, political system, rule of law, and social structure emphasize the core values of their faith than the average adherents of other religions.

There is no connection between the true values of Islam and Sharia and violence and extremism, *but* violent Islamic extremists do use Sharia as a rationale for *their* extremism and violence – often distorting Islam by claiming to return to the early and "pure" roots of Islam.

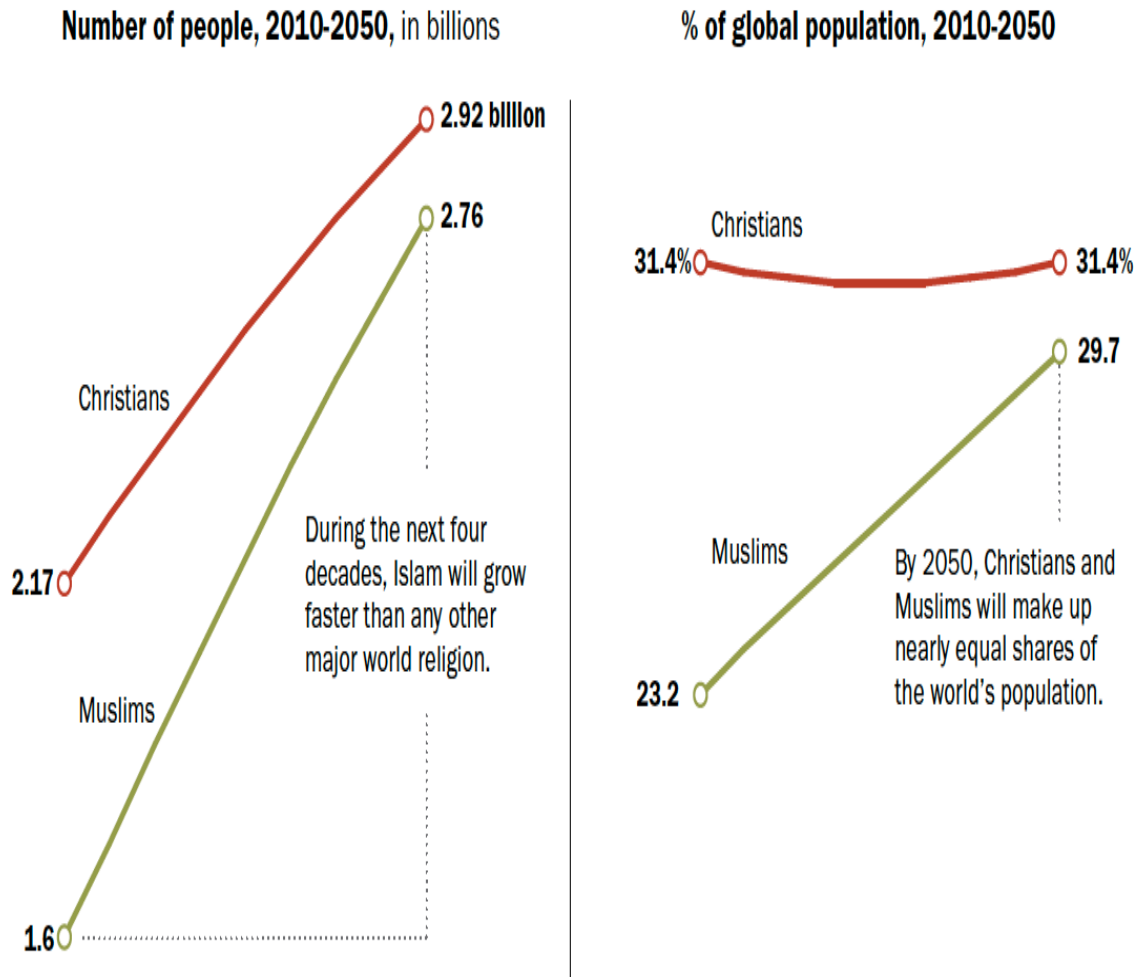
This "neo-Salafi" belief structure mirrors similar effort to distort and manipulate religion by Christian cultists, and by Jewish, Hindu and Buddhist extremists. It allows Islamic extremists to justify almost any form of violence in the name of god, claim that death and martyrdom will lead to immortality, enforce rigid moral and social codes with no real attachment to the actual practices of the early decades of Islam, and claim that a movement's leaders can speak for God. It also allows such movements to substitute the promise of immortality for any of the practical world goals and

patterns of charity, tolerance, humanity, governance and economics that are fundamental to the real practice of Islam.

***Figure 1: MENA Before Islamic Extremism:
Dysfunctional & Divided, Authoritarianism and Civil War***

- **Turkish Caliphate: 1362-1875, 1876-1914 Jihad), 1918-1923**
- **Iraq: UK in 1917, Faisal 1920, independence 1932, coup and generals 1958, Baath 1968, Saddam 1979, Iran-Iraq 1980-1988, Kuwait 1990-1991, 2003-2010, 2014-present.**
- **Kurds in Iraq, Iran, Turkey, Syria: 1880, 1916-1917, 1920, 1925, 1930, 1937-1938, 1960-1975, 1980-1988, 1991-present, 2004 and 2012-present.**
- **Saudi Arabia: First Saudi rising 1744-1818, Saudi revival, 1902 (Ikhwan), Saudi conquest of Hejaz 1921-1926, 1929 defeat of Ikhwan, 1979 Grand Mosque, Al Qa'ida 1988, 1990-1991 Gulf War.**
- **Oman: Dhofar rebellion 1962-1975**
- **Yemen: Saudi 1934, North Yemen: 1962-1970, Yemenite 1979, South Yemen 1986, Yemeni 1994, Hanish 1995, AQAP 2001-present, Saudi-Houthi 2004-2015, Saudi/UAE 2015-present, South Yemen insurgency 2015-present.**
- **Lebanon: French 1920-1943, 1944-1975 Maronite dominance, 1975-1990 civil war, occupation 1992-2005, Cedar revolution/war/factional struggles, ceasefires, compromises 2006-present.**
- **Syria: Arab Kingdom 1920, French 1921-1925, civil war 1925, French 1926-1946, republic 1946-1963 (1958-1961 UAR), Baath coups 1963-1970, Assad I 1970-2000, Assad II 2000-2011, Assad II-civil war 2011-present.**
- **Arab-Israeli wars: 1948, 1956, 1967, 1970, 1973, 1982, 2006**
- **Palestinian: PLO 1964-present (Arafat 1967-2004) - Hamas (1987-1996-present)**
- **Egypt: Britain 1882-1952, Naguib coup 1952-1956, Nasser/Arab Socialism, 1956-1970, 1958-1961 UAR, Sadat 1970-1981, Mubarak 1981-2011, 2011-2013 Muslim Brotherhood, 2013 to present el-Sisi.**
- **Libya: Italy 1911-1947, King 1951-1969, Qaddafi 1969-2011, civil war 2011-present**
- **Algeria: French 1830-1962, French vs. FLN 1954-1962, FLN 1962-1965, military/Boumediene 1965-1991, (civil war 1992-1997), military/Bouteflika 1997-present**

Figure 2: The Rising Global Impact of Islam: 2010-2050 – I



Source: The Pew Research Center, **The Future of World Religions: Population Growth Projections, 2010-2050**, April 2, 2015, <http://www.pewforum.org/2015/04/02/religious-projections-2010-2050/>. The UN and U.S. Census Bureau have similar data on population growth.

The Rising Global Impact of Islam: 2010-2050 - II

Worldwide, the Hindu population is projected to rise by 34%, from a little over 1 billion to nearly 1.4 billion, roughly keeping pace with overall population growth. Jews, the smallest religious group for which separate projections were made, are expected to grow 16%, from a little less than 14 million in 2010 to 16.1 million worldwide in 2050.

Size and Projected Growth of Major Religious Groups

	2010 POPULATION	% OF WORLD POPULATION IN 2010	PROJECTED 2050 POPULATION	% OF WORLD POPULATION IN 2050	POPULATION GROWTH 2010-2050
Christians	2,168,330,000	31.4%	2,918,070,000	31.4%	749,740,000
Muslims	1,599,700,000	23.2	2,761,480,000	29.7	1,161,780,000
Unaffiliated	1,131,150,000	16.4	1,230,340,000	13.2	99,190,000
Hindus	1,032,210,000	15.0	1,384,360,000	14.9	352,140,000
Buddhists	487,760,000	7.1	486,270,000	5.2	-1,490,000
Folk Religions	404,690,000	5.9	449,140,000	4.8	44,450,000
Other Religions	58,150,000	0.8	61,450,000	0.7	3,300,000
Jews	13,860,000	0.2	16,090,000	0.2	2,230,000
World total	6,895,850,000	100.0	9,307,190,000	100.0	2,411,340,000

Source: The Future of World Religions: Population Growth Projections, 2010-2050

PEW RESEARCH CENTER

Adherents of various folk religions – including African traditional religions, Chinese folk religions, Native American religions and Australian aboriginal religions – are projected to increase by 11%, from 405 million to nearly 450 million.

And all other religions combined – an umbrella category that includes Baha'is, Jains, Sikhs, Taoists and many smaller faiths – are projected to increase 6%, from a total of approximately 58 million to more than 61 million over the same period.³

Source: The Pew Research Center, **The Future of World Religions: Population Growth Projections, 2010-2050**, April 2, 2015, <http://www.pewforum.org/2015/04/02/religious-projections-2010-2050/>. The UN and U.S. Census Bureau have similar data on population growth.

The Rising Global Impact of Islam: 2010-2050 - III

World Muslim Population by Region, 2010 and 2050

	YEAR	REGION'S TOTAL POPULATION	REGION'S MUSLIM POPULATION	% MUSLIM IN REGION
Asia-Pacific	2010	4,054,940,000	986,420,000	24.3%
	2050	4,937,900,000	1,457,720,000	29.5
Middle East-North Africa	2010	341,020,000	317,070,000	93.0
	2050	588,960,000	551,900,000	93.7
Sub-Saharan Africa	2010	822,730,000	248,420,000	30.2
	2050	1,899,960,000	669,710,000	35.2
Europe	2010	742,550,000	43,470,000	5.9
	2050	696,330,000	70,870,000	10.2
North America	2010	344,530,000	3,480,000	1.0
	2050	435,420,000	10,350,000	2.4
Latin America-Caribbean	2010	590,080,000	840,000	0.1
	2050	748,620,000	940,000	0.1

Source: The Future of World Religions: Population Growth Projections, 2010-2050
Population estimates are rounded to the nearest 10,000. Percentages are calculated from unrounded numbers.

PEW RESEARCH CENTER

Source: The Pew Research Center, **The Future of World Religions: Population Growth Projections, 2010-2050**, April 2, 2015, <http://www.pewforum.org/2015/04/02/religious-projections-2010-2050/>. The UN and U.S. Census Bureau have similar data on population growth.

The Rising Global Impact of Islam: 2010-2050 – IV

10 Countries With the Largest Muslim Populations, 2010 and 2050

	2010 MUSLIM POPULATION	% OF WORLD'S MUSLIM POPULATION IN 2010		2050 MUSLIM POPULATION	% OF WORLD'S MUSLIM POPULATION IN 2050
1 Indonesia	209,120,000	13.1%	1 India	310,660,000	11.2%
2 India	176,200,000	11.0	2 Pakistan	273,110,000	9.9
3 Pakistan	167,410,000	10.5	3 Indonesia	256,820,000	9.3
4 Bangladesh	134,430,000	8.4	4 Nigeria	230,700,000	8.4
5 Nigeria	77,300,000	4.8	5 Bangladesh	182,360,000	6.6
6 Egypt	76,990,000	4.8	6 Egypt	119,530,000	4.3
7 Iran	73,570,000	4.6	7 Turkey	89,320,000	3.2
8 Turkey	71,330,000	4.5	8 Iran	86,190,000	3.1
9 Algeria	34,730,000	2.2	9 Iraq	80,190,000	2.9
10 Morocco	31,930,000	2.0	10 Afghanistan	72,190,000	2.6
Subtotal	1,053,010,000	65.8	Subtotal	1,701,070,000	61.6
Subtotal for Rest of World	546,700,000	34.2	Subtotal for Rest of World	1,060,410,000	38.4
World Total	1,599,700,000	100.0	World Total	2,761,480,000	100.0

Source: The Future of World Religions: Population Growth Projections, 2010-2050. Population estimates are rounded to the nearest 10,000. Percentages are calculated from unrounded numbers.

PEW RESEARCH CENTER

Source: The Pew Research Center, **The Future of World Religions: Population Growth Projections, 2010-2050**, April 2, 2015, <http://www.pewforum.org/2015/04/02/religious-projections-2010-2050/>. The UN and U.S. Census Bureau have similar data on population growth.

**Figure 3: Religion is an Important Part of Your Daily Life
(% responding 'yes')**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Algeria	...	...	...	...	94	93	92	...	...	...
Bahrain	...	...	...	96	96	94	...	...	...	...
Comoros	...	...	...	96	99	99	97	...	...	...
Djibouti	...	...	98	98	97	91	...	...	...	...
Egypt	98	98	100	98	97	98	98	97	98	...
Iraq	...	...	81	86	85	79	84	87	90	...
Jordan	92	96	...	...	...	...	...	...	...	...
Kuwait	84	...	...	93	97	...	...	...	...	...
Lebanon	88	88	86	89	87	84	85	80	84	...
Mauritania	...	95	97	98	99	99	99	98	92	99
Morocco	...	...	...	...	93	94	99	96	...	...
Palestine	88	90	89	93	95	94	95	93	98	...
Qatar	...	...	92	95	...	98	...	...	...	...
Saudi Arabia	98	98	96	94	...	...	...	...	...	...
Somalia	...	...	...	...	...	...	...	...	95	...
Sudan	...	...	...	95	97	92	95	...	...	...
Syria	...	...	84	88	83	78	82	75	...	...
Tunisia	...	...	...	95	93	93	96	89	88	91
UAE	98	...	...	91	95	...	...	...	...	...
Yemen	96	...	...	96	96	98	98	100	99	...

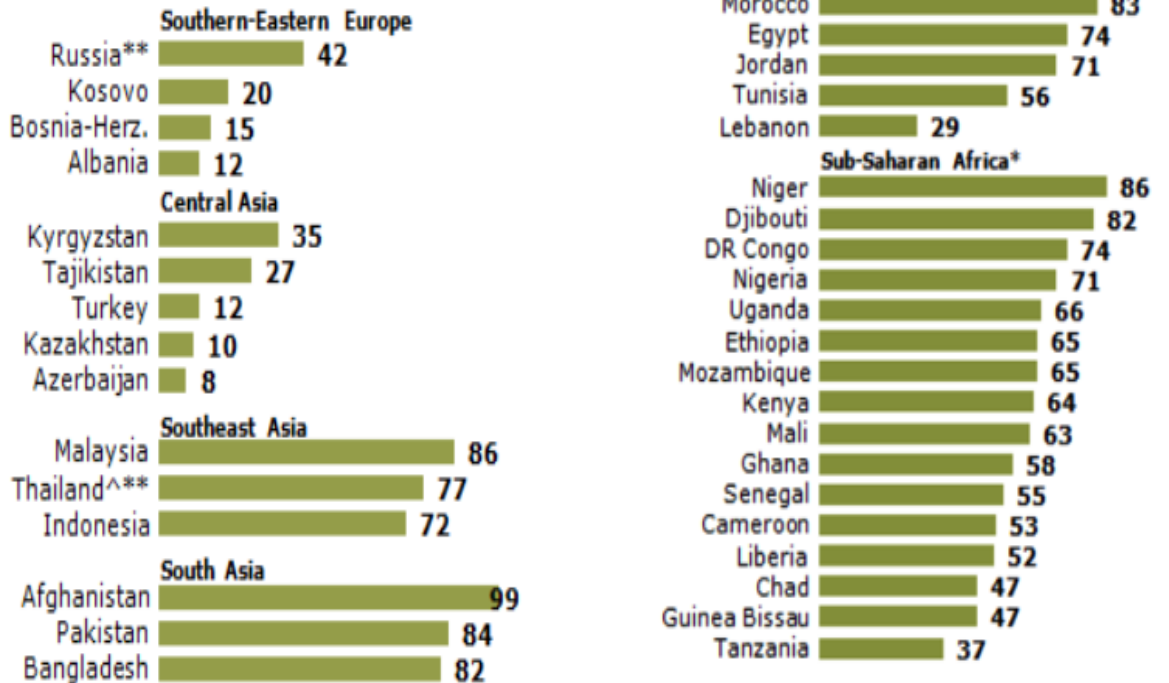
Source: Gallup 2015.

Note: "..." not available

Source: UNDP, *Arab Human Development Report, 2016*, UN, 2016, p. 35

Figure 4: Public Perceptions of the Importance of Sharia: 2015

% of Muslims who favor making sharia the official law in their country



Recent surveys show (that most people in several countries with significant Muslim populations have an unfavorable view of ISIS, including virtually all respondents in Lebanon and 94% in Jordan.

Relatively small shares say they see ISIS favorably. In some countries, considerable portions of the population do not offer an opinion about ISIS, including a majority (62%) of Pakistanis.

Favorable views of ISIS are somewhat higher in Nigeria (14%) than most other nations. Among Nigerian Muslims, 20% say they see ISIS favorably (compared with 7% of Nigerian Christians). The Nigerian militant group Boko Haram, which has been conducting a terrorist campaign in the country for years, has sworn allegiance to ISIS.

More generally, Muslims mostly say that suicide bombings and other forms of violence against civilians in the name of Islam are rarely or never justified, including 92% in Indonesia and 91% in Iraq. In the United States, a 2011 survey found that 86% of Muslims ... say that such tactics are rarely or never justified. An additional 7% say suicide bombings are sometimes justified and 1% say they are often justified in these circumstances.

In a few countries, a quarter or more of Muslims say that these acts of violence are at least sometimes justified, including 40% in the Palestinian territories, 39% in Afghanistan, 29% in Egypt and 26% in Bangladesh.

In many cases, people in countries with large Muslim populations are as concerned as Western nations... about the threat of Islamic extremism, and have become increasingly concerned in recent years. About two-thirds of people in Nigeria (68%) and Lebanon (67%) said earlier this year they are very concerned about Islamic extremism in their country, both up significantly since 2013.

Source: Pew Research Center, Michael Lipka, **Muslims and Islam: Key findings in the U.S. and around the world, December 7, 2015, p. 4.**

Scoping Islamic Extremism and Terrorism

Anyone who has worked in countering Islamic extremist and terrorist activities in given countries becomes aware of several factors. First, there are sharp differences from movement to movement in given countries and often within the same movement and between the movement and its affiliates. Second, important as religion can be, the search for power and control, for funding and resources, and for new members and fighters is often the dominant practical activity. Third, only relatively small cadres seem to focus on ideology in detail, and debate ideological issues in a sophisticated way, and even these supporters often seem to focus narrowly on the belief structure of their own movement to the exclusion of the actual values and practices of Islam,

There is no way to clearly define the difference between suggest extremists and extremist movement and the Christian, Jewish, Buddhist, and Hindu counterparts. Claiming a divine mandate, seeking power and resources, and using violence on the basis of a self-assumed mandate from God may differ sharply in its details and rhetoric, but behavior can be strikingly the same.

At the same time, when one tries to examine the scope of Islamic extremism, it is currently notably higher than in other faiths and key reasons seem to include:

- Sectarian, Ethnic, Tribal discrimination, and violence
- Advocacy by charismatic, competent violent opposition leader(s)/groups
- Repression and failed authoritarian state rule.
- Dysfunctional democracy and civil political structures.
- Excessive/clumsy/abusive use of force – state terrorism
- Corrupt and ineffective structures of governance and government services.
- Failed rule of law, justice system, basic law enforcement and social order.
- Gross poverty, economic injustice, failure to develop and modernize, lack of reform. Near economic collapse, inflationary crisis.
- Unemployment pressure, lack of stable career options, population pressure.
- Alienation of youth, middle class.
- Rising violence makes the most violent side the winner.
- Urban instability, violence

What is also striking is the degree to which non-Muslim states seem to see a relatively small number of attacks. Islamic extremism is focused on non-Muslims, yet virtually all of the data on actual violence indicates that it is dominated by Muslims killing Muslims, and particularly by Sunnis killing Sunnis.

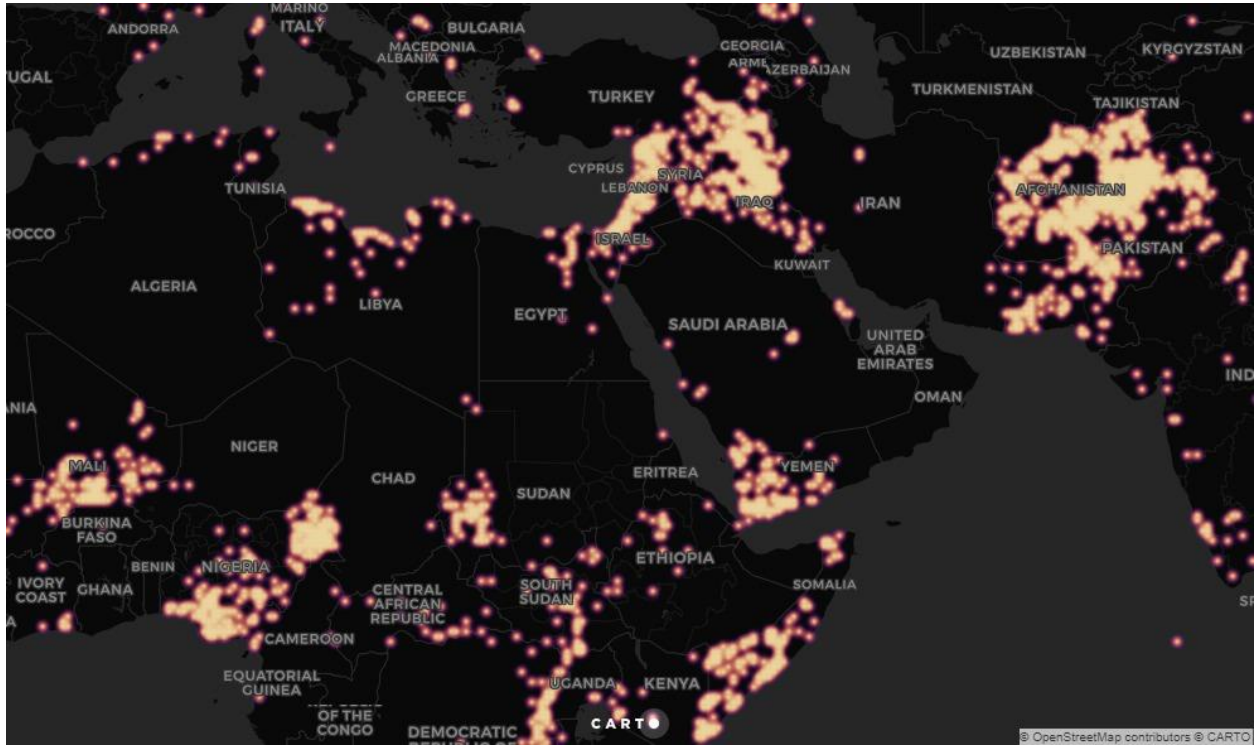
Islamic violence is overwhelming a “clash within a civilization”. The START database of terrorism used by the U.S State Department in its report on terrorism reflects these trends quite clearly.

Figure 5: Map of START Estimate of Attacks in Key Islamic Areas in 2017 shows how these incidents are clustered in a Muslim-dominated region.

Figure 6: The Clash within a Civilization: Rise of Terrorism in Heavily Islamic Regions 2010-2017 shows the trend in heavily Islamic regions from 2010 to 2017.

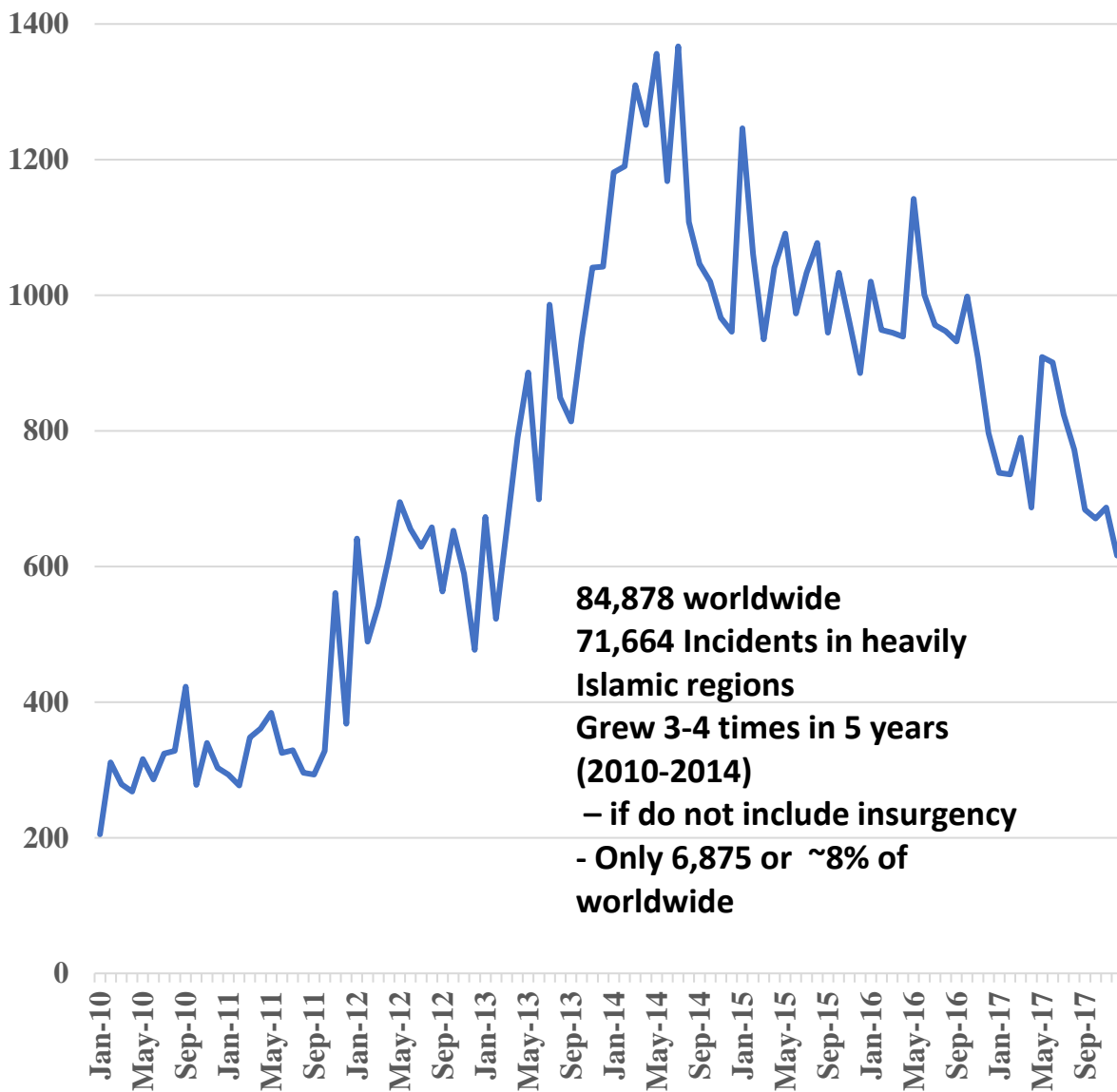
There was a total of 84,878 incidents worldwide. A total of 71,664 took place in heavily Islamic regions and the number grew 3-4 times in the five years between 2010 and 2014 if one does not attempt to add in other estimate of the casualties from the fighting by Islamic insurgents in actual warfare. Interestingly enough, for all the focus on ISIS/DAESH/Al Qaida, these three organizations and their primary affiliates only added up to some 8% of this total.

Figure 5: Map of START Estimate of Attacks in Key Islamic Areas in 2017



Source: Nicholas Harrington, Research Assistant, Arleigh A. Burke Chair in Strategy, CSIS

Figure 6: The Clash within a Civilization: Rise of Terrorism in Heavily Islamic Regions 2010-2017



Years: (between 2010 and 2017), All incidents regardless of doubt. **Region:** (South Asia; Central Asia; Middle East & North Africa; Sub-Saharan Africa)

Source: START Data Base, <http://www.start.umd.edu/gtd/>.

Focusing on the MENA Region

The epicenter of this violent clash within a civilization, and terrorism, has been the Middle East and North Africa (MENA), much of it involving Muslims. This is a matter of hard data, and not prejudice and “profiling.”

- **Figure 7: Conflict and Extremism: Arabs are 5.2% of Global Population, But...** reflects the broader pattern of violence in the Arab world reported by Arab analysts in the UN’s *Arab Human Development Report, 2016*.
- **Figure 8: The Rise of Terrorism in the MENA Region: 2010-2017** shows that the START data on terrorism in the MENA region show that 31,684 Incidents occurred between 2010 and 2017. This was 37% of the Global total and a vastly higher non-Muslim population. It did, however, involve a higher impact by key terrorist groups. A total of 25% were attributed to ISIS and Al Qaida, and 20% were attributed to ISIS/Daesh alone.
- **Figure 9: Positive vs. Negative MENA Popular Views of ISIS** indicates, however, that only a small portion of the Muslims in the MENA region advocate violence and terrorism. The Arab Development Report shows that a country-by-country survey in 2016 – a peak year in terms of the ISIS “caliphate,” ISIS had very limited support in most Arab countries.
- A wide arrange of other survey data produce similar results. This is reflected in **Figure 10: Muslim Views on Al Qaeda in 2013 and 2014 (Pew)**, although the analysis from which this Figure is taken is careful to note that almost percentages of the total population still can involve a large number of supporters and potential fighters.

The source notes that the option ‘favorable’ offered as a choice to respondents is remarkable. It can mean anything from ‘sympathy’ to (verbal) ‘support’ – which of the two we do not know. The high percentage of ‘Don’t Know’ respondents is likely to reflect not so much ignorance as unwillingness to answer – or might even be hiding sympathy.

There are many uncertainties. What does ‘favorable’ actually refer to? Which of the different objectives of Al Qaeda had respondents in mind when they expressed a ‘favorable’ view? The implementation of Sharia? The unification of the ummah? The opposition to Western meddling in the Middle East? The last of these objectives is much more widely shared in the region than the percentages here would indicate – in a number of countries it was and probably still is the majority opinion.

- **Figure 11: Small Percentages of Support for Groups Like IISS Can Still Matter.** A total of 1% “very positive” support for ISIS in Arab countries can still add up to over 6 million people.
- **Figure 12: Extremist Cadres Can Be Small and Still Succeed** shows that small numbers of foreign volunteers per million of total population still amount to a serious threat. The source notes that, these are percentages of ‘Very positive’ and ‘Positive to some extent’ responses expressed in population shares of total country population (mid 2015) (n = 18,311) in 11 countries & Palestinian Territories, in response to the question: “In general, do you have a positive or negative view of ISIL?”

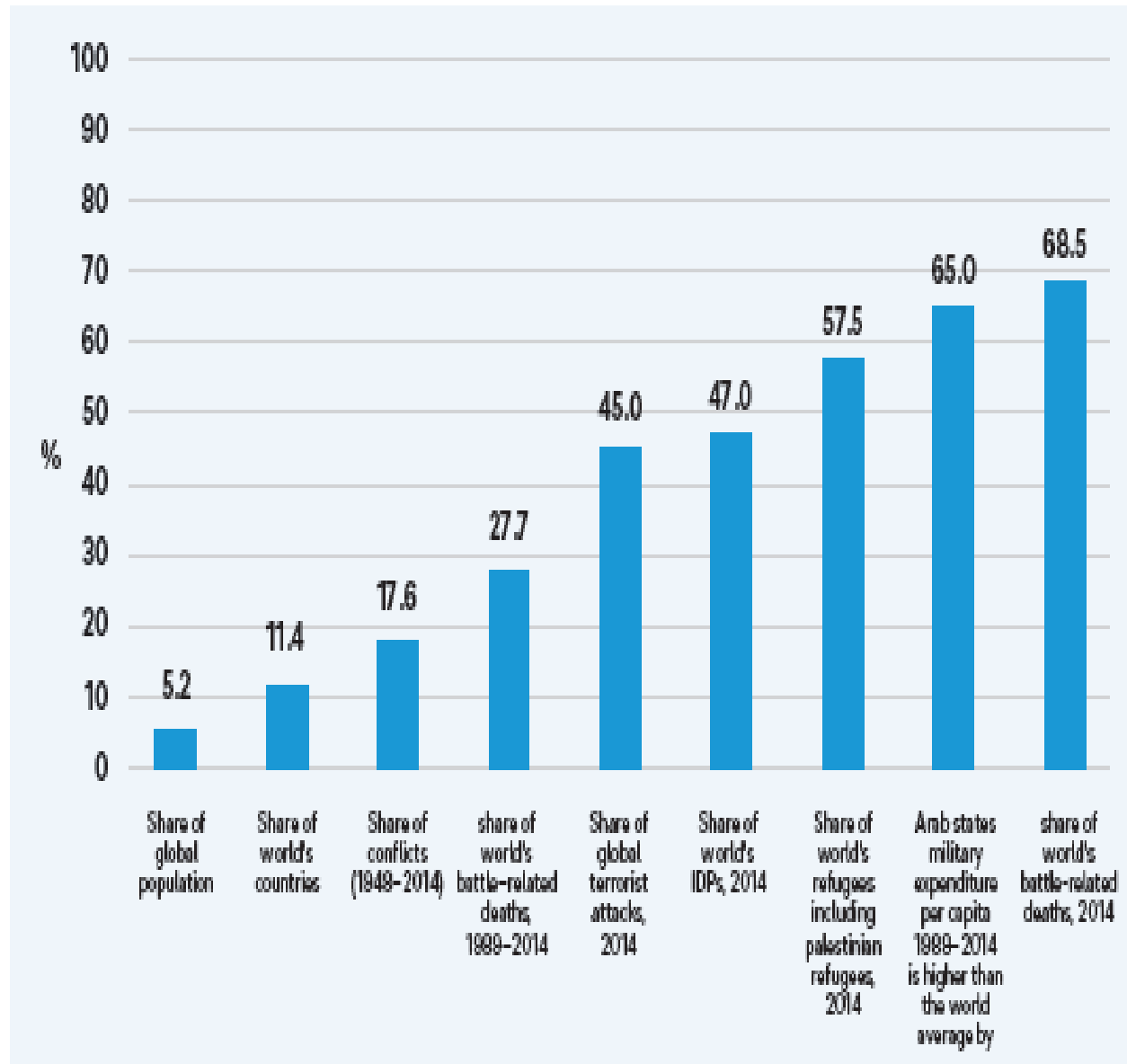
The combined percentages of columns one and two represent more than fourteen million people in 11 countries and the Palestinian territories. These are the people whose views are ‘very positive’ or ‘positive to some extent’.

While there are more than 310 million people living in these countries, the more than 14 million people with positive views constitute a potential radical milieu from which IS can draw support.

There are also many Muslims sympathizing with IS outside the Arab world. A Pew opinion poll of 2015 found that 20 percent of Nigerian Muslims view IS favorably. One wing of Boko Haram – not so long ago next to IS the most lethal terrorist organization in the world – has also sworn allegiance to IS.

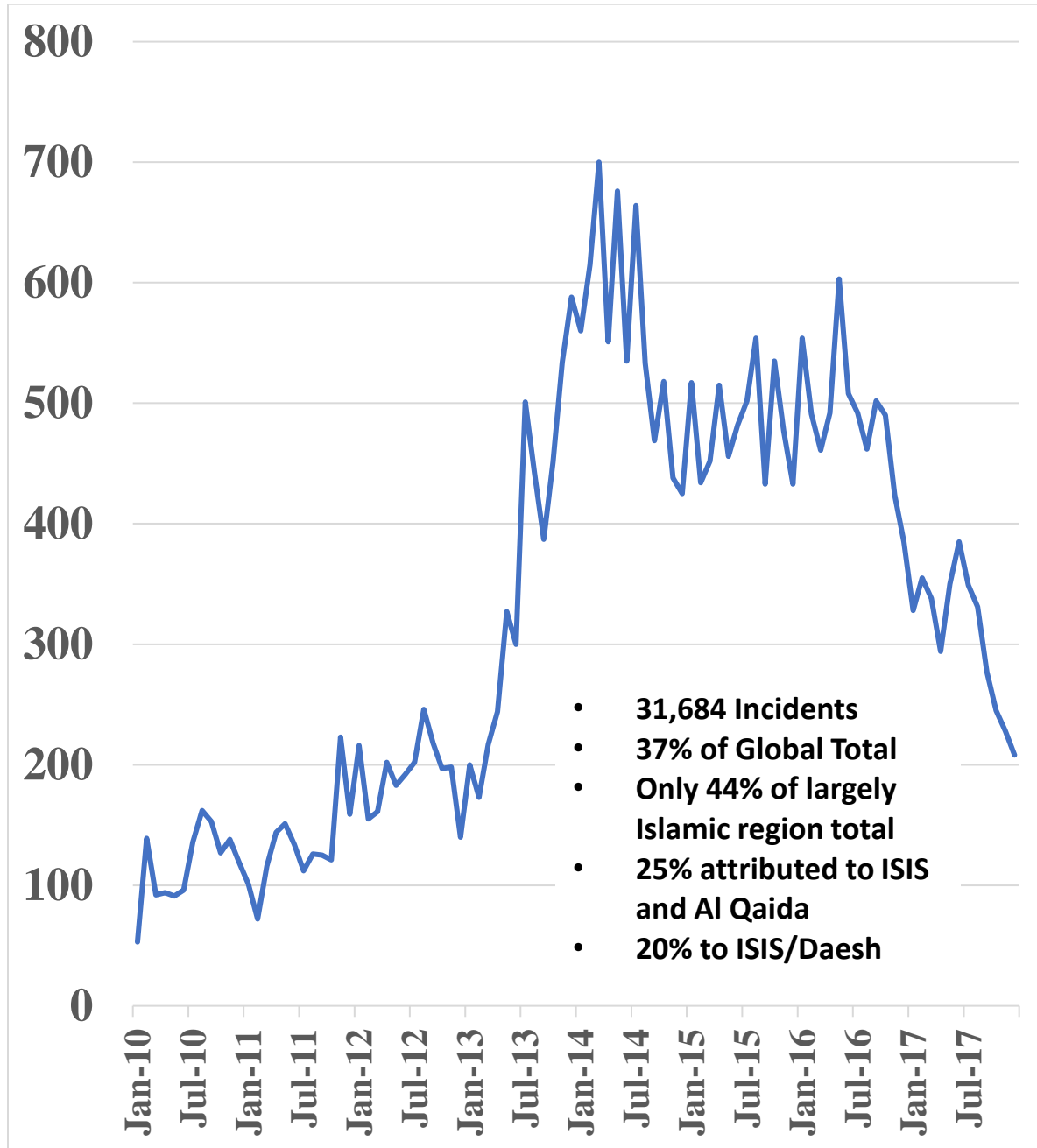
Indonesia (4 percent) and Pakistan (9 percent) are two more countries where single digit percentages of opinion polls translate into more than 25 million people if the respondents surveyed can be considered representative of the whole population. Adding just Indonesia and Pakistan to the more than 14 million from the previous information box adds up to more than 40 million sympathizers.

Figure 7: Conflict and Extremism: Arabs are 5.2% of Global Population, But...



Report team calculations based on START 2015, SIPRI 2015, UCDP/PRIO 2015, UCDP 2015, UN DESA 2013, and UNRWA 2015. UNDP, Source: Arab Human Development Report, 2016, UN, 2016, p. 176

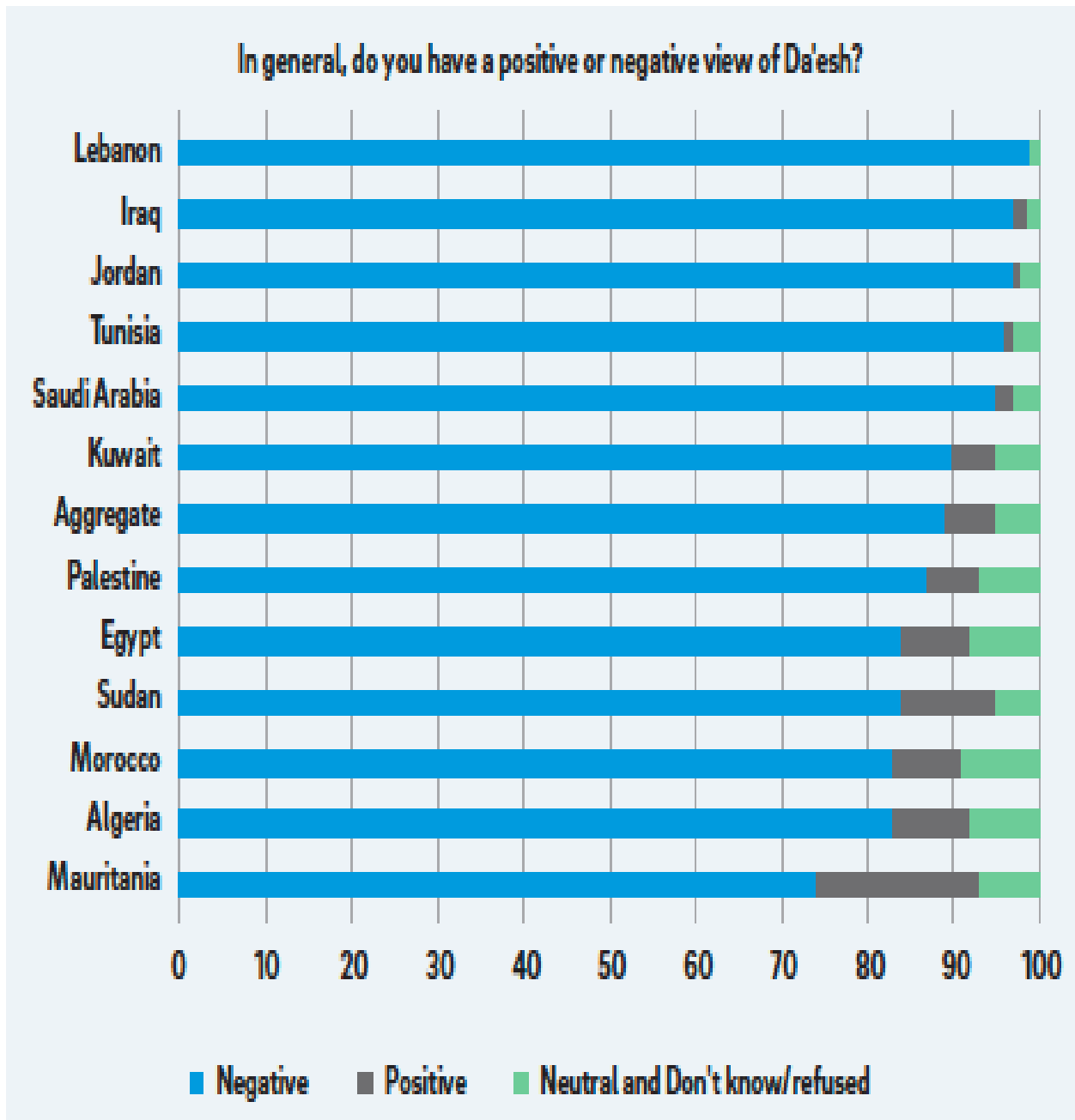
Figure 8: The Rise of Terrorism in the MENA Region: 2010-2017



Years: (between 2010 and 2017), All incidents regardless of doubt. **Region:** (South Asia; Central Asia; Middle East & North Africa; Sub-Saharan Africa)

Source: START Data Base, <http://www.start.umd.edu/gtd/>.

Figure 9: Positive vs. Negative MENA Popular Views of ISIS



Source: Doha Institute 2015, Arab Human Development Report, 2016, UN, 2016, p. 38

Figure 10: Muslim Views on Al Qaeda in 2013 and 2014 (Pew)

Country	(i) 'Very Positive'	(ii) 'Positive To Some Extent'	(i) + (ii) As Populations
Jordan	1%	1%	162,351
Tunisia	1%	1%	220,744
Algeria	5%	4%	355,879
Saudi Arabia	1%	1%	555,046
Sudan	5%	6%	397,197
Iraq	1%	1%	741,123
Palest. Terr.	2%	4%	280,948
Kuwait	1%	4%	139,426
Lebanon	1%	-	61,847
Egypt	3%	6%	7,963,564
Morocco	3%	5%	2,665,815
Mauritania	10%	10%	719,340
Aggregate			14,263,450

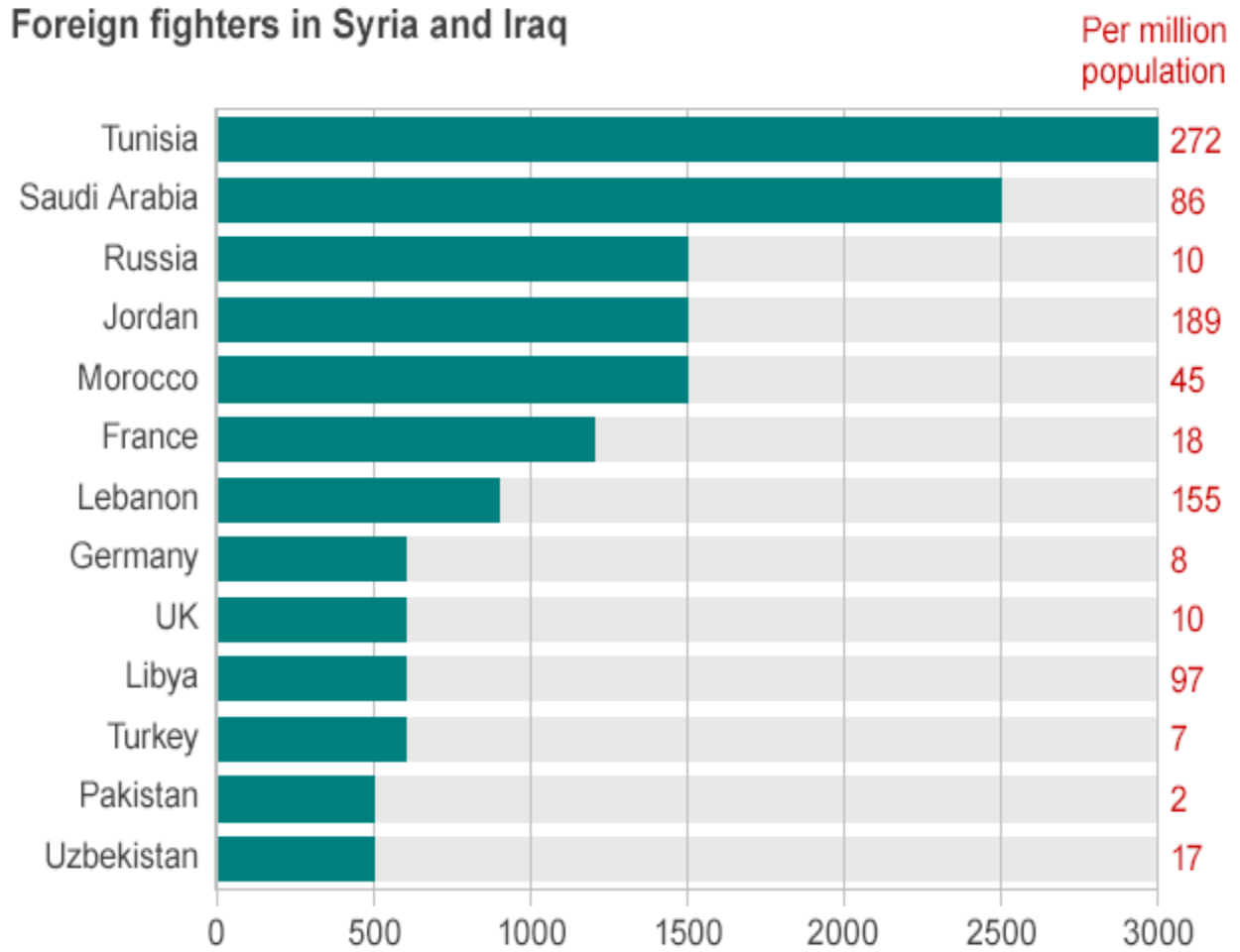
Source: Alex P. Schmid, *Public Opinion Survey Data to Measure Sympathy and Support for Islamist Terrorism: A Look at Muslim Opinions on Al Qaeda and IS*, ICCT Research Paper, February 2017, <https://icct.nl/wp-content/uploads/2017/02/ICCT-Schmid-Muslim-Opinion-Polls-Jan2017-1.pdf>, pp. 15-16.

Figure 11: Small Percentages of Support for Groups Like IISS Can Still Matter

Country	(i) 'Very Positive'	(ii) 'Positive To Some Extent'	(i) + (ii) As Populations
Jordan	1%	1%	162,351
Tunisia	1%	1%	220,744
Algeria	5%	4%	355,879
Saudi Arabia	1%	1%	555,046
Sudan	5%	6%	397,197
Iraq	1%	1%	741,123
Palest. Terr.	2%	4%	280,948
Kuwait	1%	4%	139,426
Lebanon	1%	-	61,847
Egypt	3%	6%	7,963,564
Morocco	3%	5%	2,665,815
Mauritania	10%	10%	719,340
Aggregate			14,263,450

Source: Alex P. Schmid , Public Opinion Survey Data to Measure Sympathy and Support for Islamist Terrorism: A Look at Muslim Opinions on Al Qaeda and IS, ICCT Research Paper, February 2017, <https://icct.nl/wp-content/uploads/2017/02/ICCT-Schmid-Muslim-Opinion-Polls-Jan2017-1.pdf>, pp. 21-23.

**Figure 12: Extremist Cadres Can Be Small and Still Succeed:
Foreign Fighters Are Negligible Part of Population Base: 5/2015**



Note: Upper estimates used. Countries with fewer than 500 fighters not included

Source: ICSR, CIA World Factbook

Source: <http://www.bbc.com/news/world-middle-east-27838034>

Key Non-Ideological Factors Leading to the Rise of Islamic Extremism: The Mixture of Civil Failure and Violence, Division, and Repression

Yet, ideology and religion are only some of the factors that will continue to drive at least a small part of the world's growing numbers of Muslims into extremism and violence. The history of extremism is as much the history of anger, humiliation, discrimination, and alienation as it is the history of ideology and belief.

It is not coincidental that extremism and terrorism only tend to become critical factors when a state fails a large enough part of its population to create a serious threat, and insurgencies and extremism takeovers generally only arise and approach any level of success when states fail to the level where they can either cannot win broad popular support or suppress opposition even with authoritarian violence. In virtually every case where extremism and terrorism become truly serious threats to stability, it is because the state has failed to the point where it is perceived to be a serious threat to a significant part of its own people.

One of the great dangers in modern counterterrorism analysis is the tendency to focus on the terrorists and extremists and non-state actors, rather than on the state, and on its failures in politics and governance, in economic, and in the rule of law – and, in the all too many cases where state repression and abuse take on the form of state terrorism. Equally, such analysis often ignores pressures and strains like population growth, employment, and political and economic equity that are undermining state efforts to meet basic popular needs.

Several key factors need to be considered:

- If a country can create a stable state structure of politics, governance, and economics, extremism will generally be defeated.
- Stable states with working social-economic contracts, tradition of civil order – normally monarchies – are less vulnerable.
- Much of momentum behind Islamic militancy is a reaction to failed secularism – nationalism, socialism, military rule, “democracy.”
- Another driving factor is a mix of massive demographic shifts that are coupled to many critical sources of internal conflict and failures of state, and often sharply increase the tensions between sects, ethnic groups, tribes, regions, and urban vs. rural populations.

The forces that define a "failed state" are complex, vary sharply from case-to-case, and are almost hard to quantify and the subject of expert debate. It is also clear that many of the people in "failed states" will not respond honestly to polling efforts, and find it hard to define the causes of their alienation and anger.

There are, however, indicators that do seem to explain the reasons why given countries become failed states, and that illustrate the forces that lead to active terrorism and extremism. In case of Islamic extremism:

- **Figure 13: Economic Factors Dominate Perception of Challenges** is an example of many surveys that show economic factors, and the integrity and competence of governance, are even more important than the threat of violence and secular ideological factors like "democracy" in shaping popular concerns.

- ***Figure 14: The Edge of Repression and Impact of Failed States*** shows that autocracy alone is not a driving factor if the state provides the equivalent of a social contract that benefits enough of its people to be seen as meeting their needs. At the same time, the following figures show that autocracy tends to fail or lead to extremism and terrorism when a state does not meet these needs for even a major subgroup of its population, and that efforts at reform and to create democracy do not help when the state fails to meet such needs.

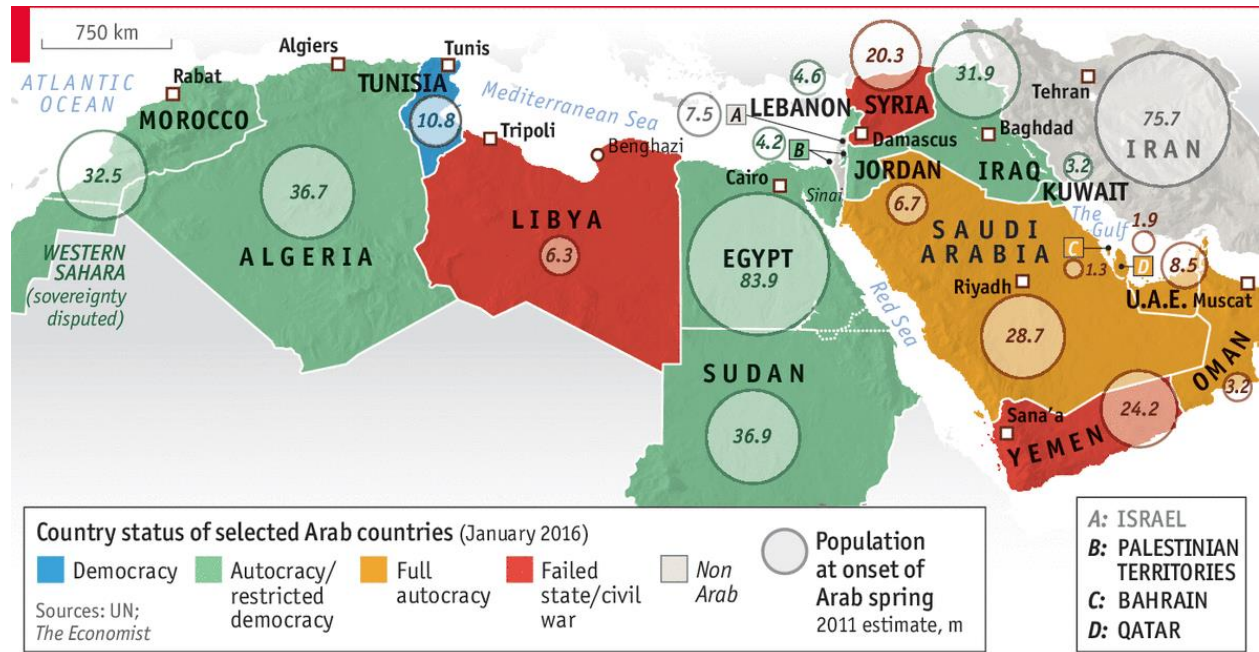
Figure 13: Economic Factors Dominate Perception of Challenges:

	The economic situation (poverty, unemployment and price increases)	Financial and administrative corruption	Enhancing (strengthening) democracy	Achieving stability and internal security	Other
Algeria	76.9	14.9	2.7	3.3	2.2
Egypt	87.6	6.5	1.4	1.3	3.1
Iraq	52.5	32.5	3.5	9.7	1.7
Jordan	81.0	14.0	1.1	0.7	3.3
Kuwait	56.5	25.3	9.4	0.9	8.0
Lebanon	60.6	24.4	3.5	7.1	4.3
Libya	23.1	32.3	2.3	0.7	41.6
Morocco	83.9	9.6	2.1	0.8	3.6
Palestine	50.3	8.7	1.3	3.0	36.6
Sudan	74.2	17.2	2.3	3.4	2.8
Tunisia	88.4	8.6	0.7	0.9	1.6
Yemen	74.6	17.1	3.9	2.8	1.6

Source: Arab Barometer 2014.

UNDP, Arab Human Development Report, 2016, UN, 2016, p. 26.

Figure 14: The Edge of Repression and Impact of Failed States



Economist.com

Source: *The Economist*, January 7, 2016

Key Factors Leading to the Rise of Islamic Extremism: Ethnicity, Sect, Tribalism, Regionalism

Ethnicity, sect, tribalism, and regionalism are also key causes of "failed states" and Islamic extremism and violence. The sheer scale of the major sectarian and ethnic divisions in the MENA region – which are mirrored in most other primarily Islamic nations – are shown in the maps in **Figure 15, Figure 16, and Figure 18:**

- *Figure 15: Ethnic Divisions in the MENA*
- *Figure 16: Sectarian Divisions in the MENA*
- *Figure 17: The Broader “Kurdish Problem”*

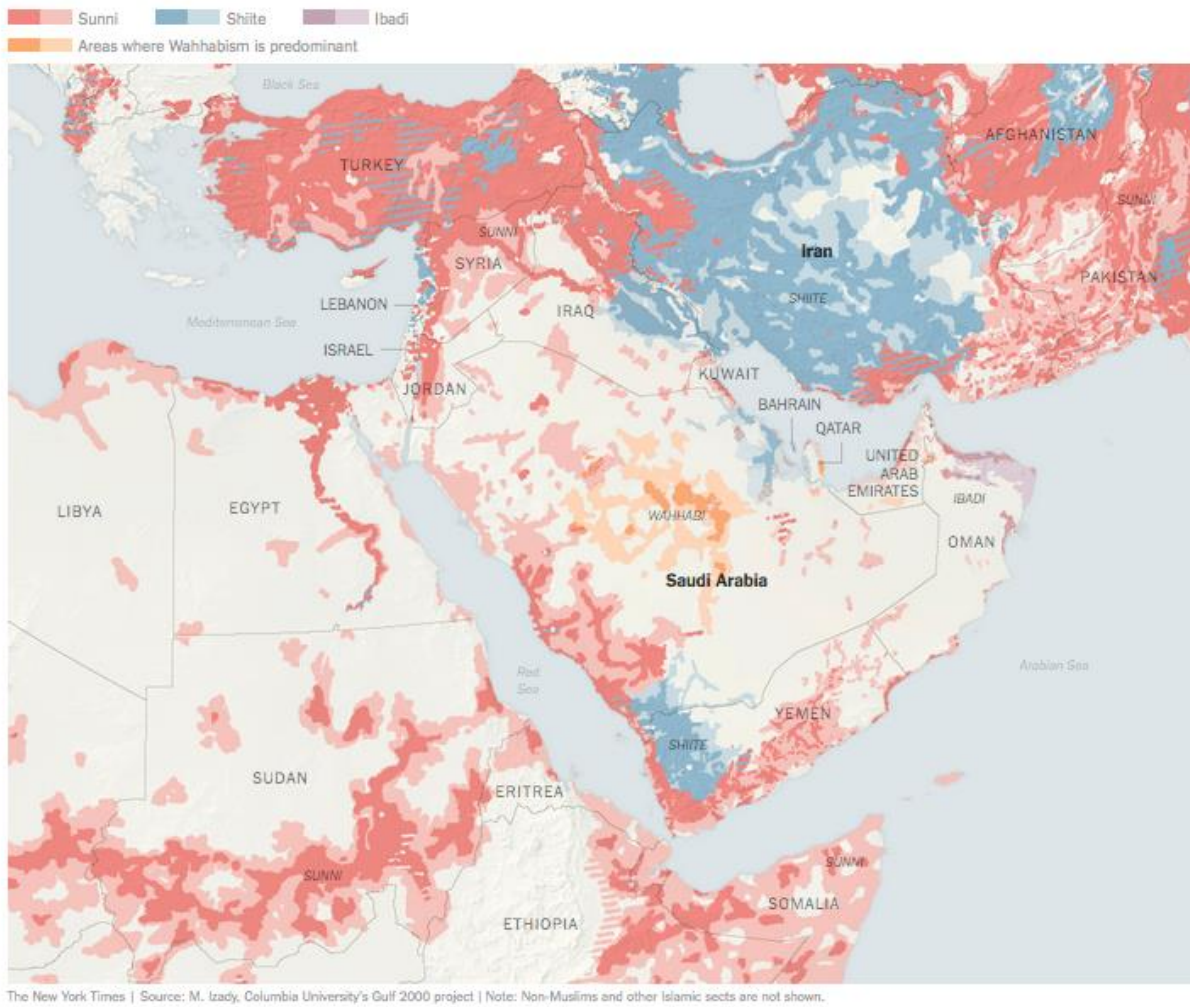
Ethnic and sectarian divisions have been particularly critical sources of violent extremism – often between Islamic groups. The level of such violence is also badly understated in many estimates of violence because many attacks and killings are local and are not conducted by recognized non-state actors or terrorist groups, and because such violence is not identified in reporting that show an ethnic or sectarian cause.

At the same time, these maps only provide a crude illustration of the complex forces involved. They do not show many small sects and ethnic groups which have become the subject of substantial terrorism and violence in countries like Iraq and Syria. They do not show the even more complex patterns of tribalism which impact power sharing, corruption, and political and economic inequities and tensions.

They do not reflect the impact of massive population growth and urbanization which has led to radical shifts in the actual dividing lines between various groups since 1950, and changed the region's patterns of population density. This has forced many groups to locate together in cities, and compete for space, power, and wealth in new ways.

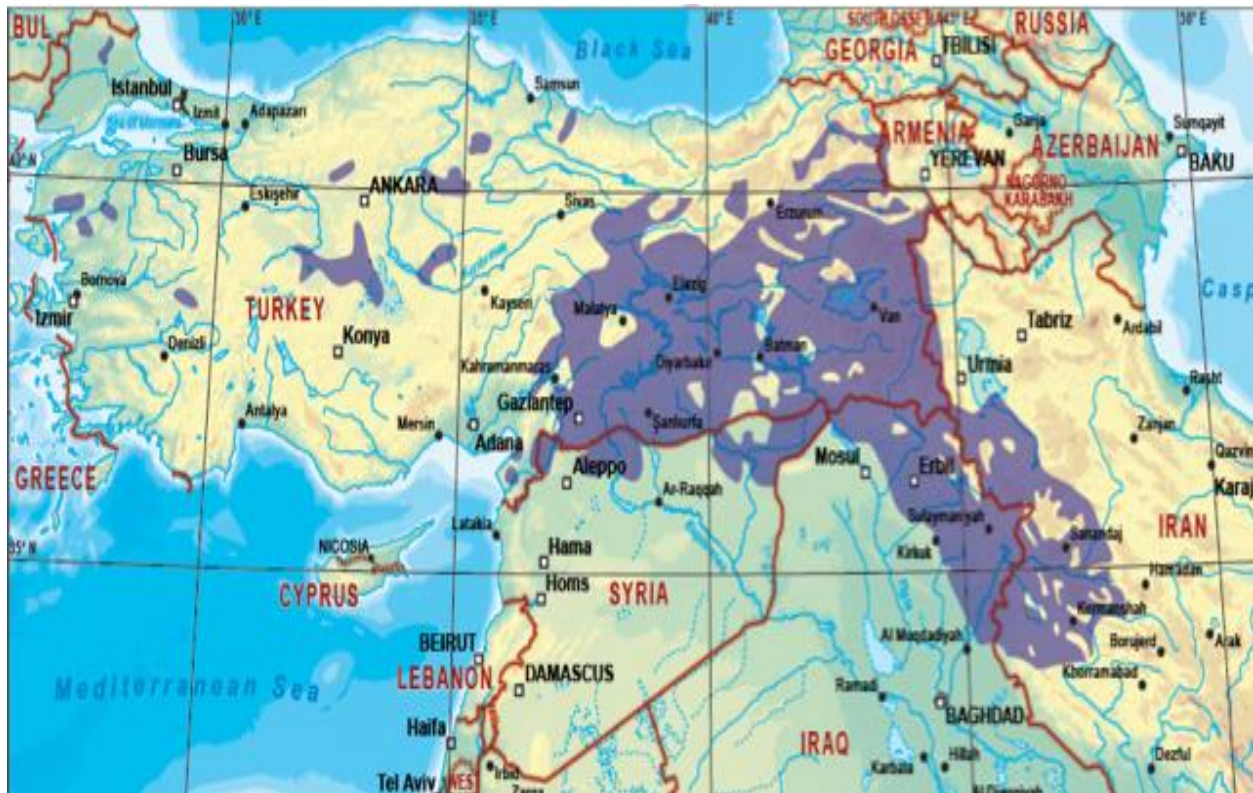
In some cases, this leads to clashes that violent and extremist groups can exploit or that trigger state violence and repression. As ISIS demonstrated in Iraq, it can also create a "target" or "scapegoat" problem where blaming and attacking a minority or vulnerable group allows an extremist movement to exploit the situation with the equivalent of hate crimes and terrorism.

Figure 16: Sectarian Divisions in MENA



<http://www.nytimes.com/interactive/2016/01/04/world/middleeast/sunni-shiite-map-middle-east-iran-saudi-arabia.html? r=>

Figure 17: The Broader “Kurdish Problem”



Source: Source: Atlas-Syria: Federal Ministry of the interior, Republic of Austria, 2015, http://www.ecoi.net/atlas_syria.pdf, p. 16

Key Factors Leading to the Rise of Islamic Extremism: Demographics, Youth Bulge, Breakdown of Traditional Order

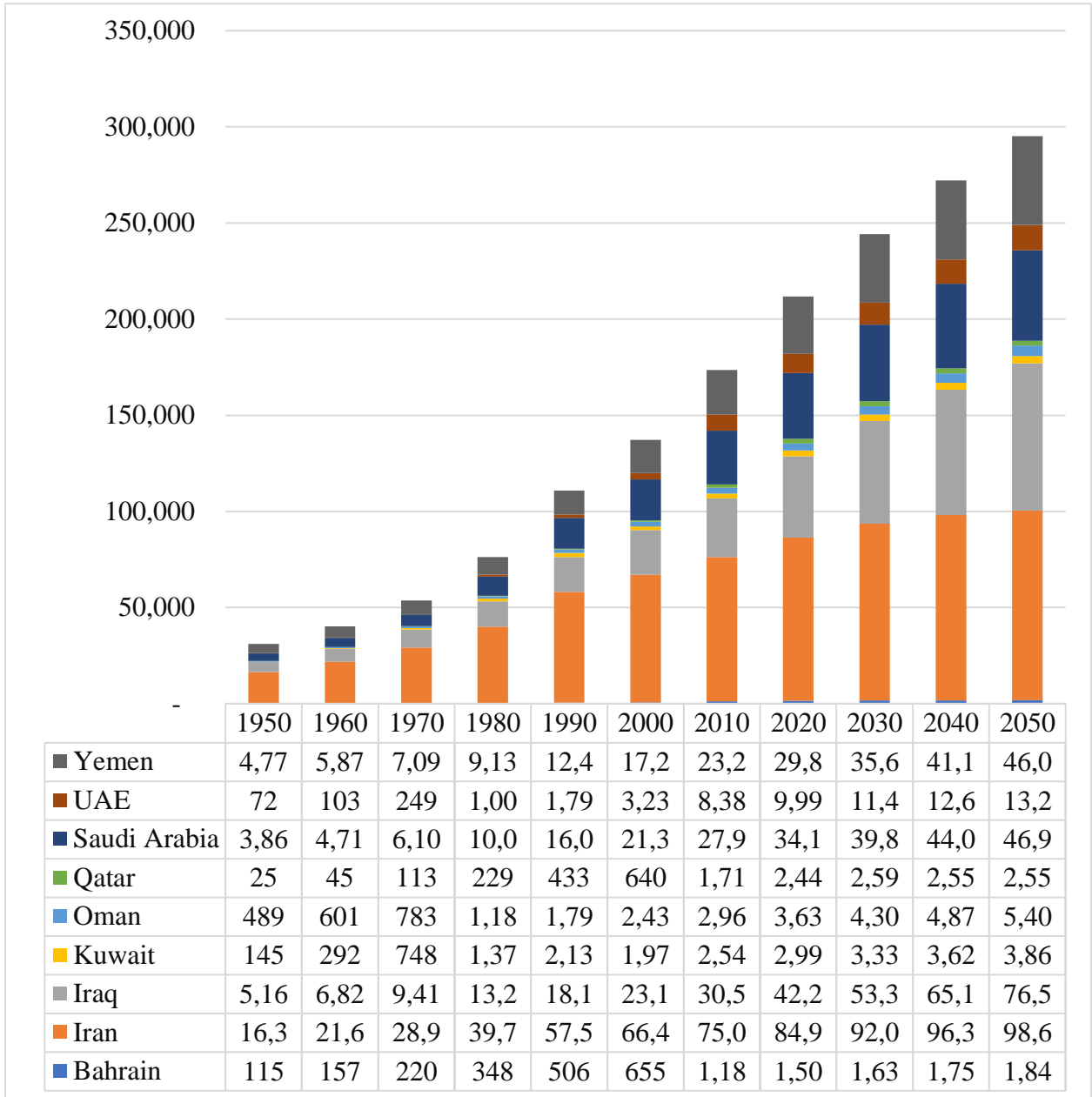
The sheer scale of population pressure does not inevitably lead to a predictable rise in extremism and terrorism, but it is clearly a key factor shaping instability in the region, and in the "failed states" that are the centers of Islamic extremism and terrorism. The following Figures illustrate just how serious a force such pressure are in the MENA region, and similar pressures exist in many other regions and nations where Islamic extremism is a source of violence and terrorism:

- **Figure 18: The Middle East: Demographic Pressure: 1950-205:** shows the massive rise taking place the population of a key part of the MENA region between 1950 and 2050. It also shows how serious this rise was in repressive authoritarian states with critical poverty and economic problems like Libya, Syria, Iraq, and Yemen.
- **Figure 19: Demographic Pressure in Gulf Countries: 1950-2050** highlights this multiplier" impact for the Gulf, and makes it clear that the richer Gulf states that met popular economic expectations were generally free of such demographic causes of violence if they did not have serious sectarian and ethnic tensions.
- **Figure 20: The "Youth Bulge" (Percentage of Native Population Below 25)** shows the scale of the pressure from the youth entering the labor market and needing education and careers in the MENA region. As the UNDP Arab Development Report for 2016 shows, this is a critical factor in regional stability, and it is clearly a force motivating some youth to join extremist and terrorist groups.
- **Figure 21: Total and Youth Unemployment Rates by Region (2008)** and **Figure 22: Comparative Youth Unemployment Rate** show the degree to which a critical part of the Islamic world is under far more pressure than other regions of the world.
- **Figure 23: Youth perceptions: What do you believe is the biggest obstacle facing the Middle East?** This Figure shows the result of a survey indicating that regional youth sees extremism as more of a problem than employment, but only by a limited margin. It is unclear how broadly based the survey really is, but it illustrates the kind of concerns that can lead a small minority of youth to adopt extremist view and lead the vast majority to reject them.
- **Figure 24: Afghanistan: Youth Bulge (15-24 years of age) and Employment** shows these forces can be even greater in an Islamic state in another region. The Afghan economy struggles to create enough jobs to accommodate its fast-growing labor force. Slowdown in economic growth has focused attention on Afghanistan's chronic excess of labor.

With a fertility rate steadily above five children per woman, Afghanistan has the fastest growing population, the highest dependency rate, and the biggest "youth bulge" in South Asia. Afghanistan's demographic profile poses tremendous challenges to public finances and the labor market. In particular, high dependency rates squeeze private savings, which hampers investment and growth while straining spending on social services, notably health and education. In the labor market, an estimated 400,000 jobs need to be created every year to accommodate new workers; this is a daunting challenge in the absence of economic growth and with constrained budgets for public investment.

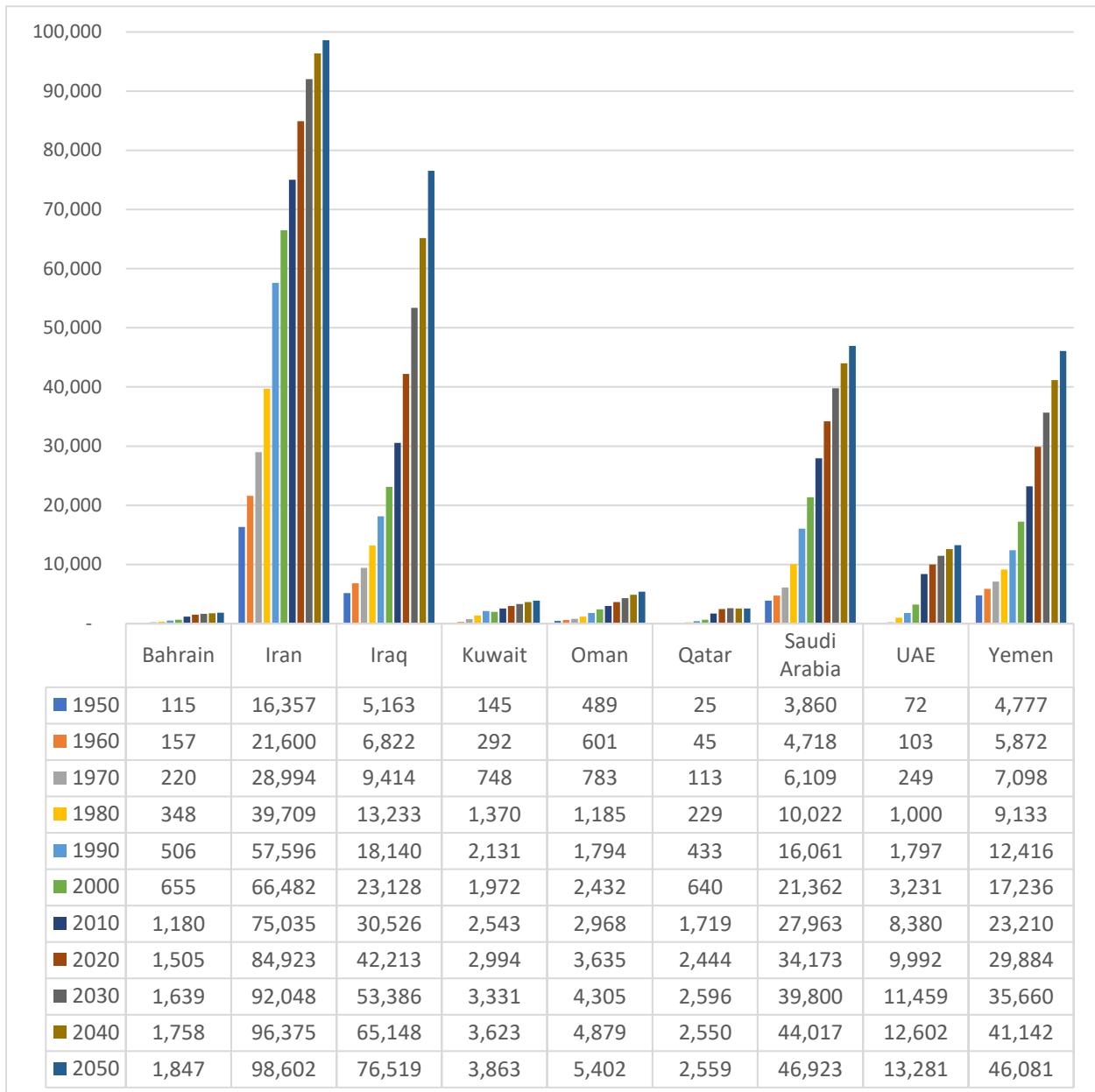
The Total Fertility Rate in Afghanistan is 5.3 children per woman (DHS, 2015). Together with Timor-Leste, Afghanistan remains the only country outside Africa where the TFR is above 5 children per woman (UNDESA 2015). According to UNDESA (2015), Afghanistan is endowed with the third largest youth bulge in the world, after Uganda and Chad, as more than one-fifth of the population is aged between 15 and 24. The Afghan population is expected to double in size from 28.4 million in 2010 to 56.5 million in 2050. It is estimated that, even under optimistic growth and labor-intensity of growth scenarios, the Afghan labor market will not be able to match labor supply growth until 2027.

**Figure 18: The Middle East: Demographic Pressure: 1950-2050
(In Thousands)**



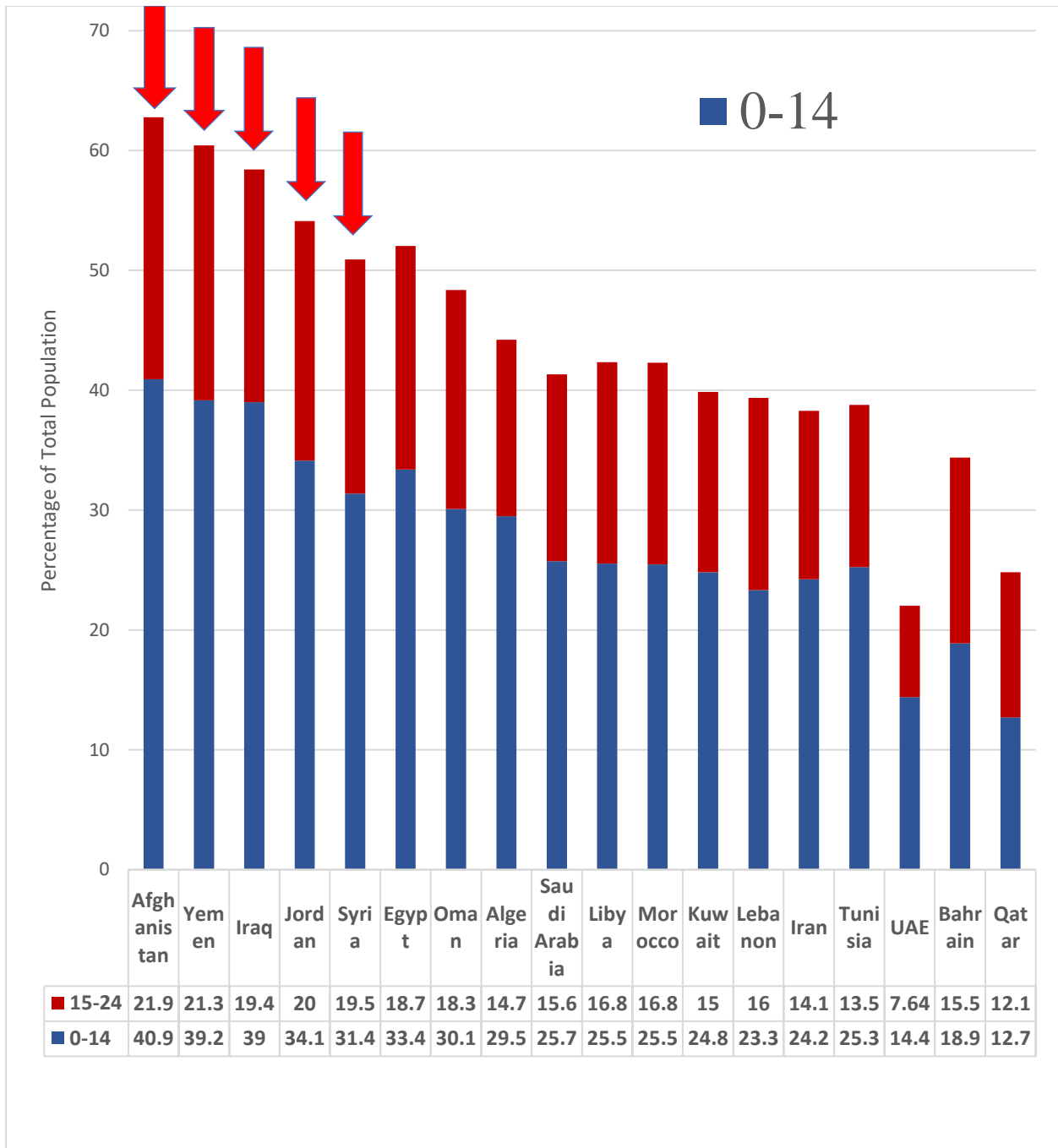
Source: United States Census Bureau, International Data Base, Accessed April 2015, and January 2019. <http://www.census.gov/population/international/data/idb/informationGateway.php>

**Figure 19: Demographic Pressure in Gulf Countries: 1950-2050
(in Thousands)**



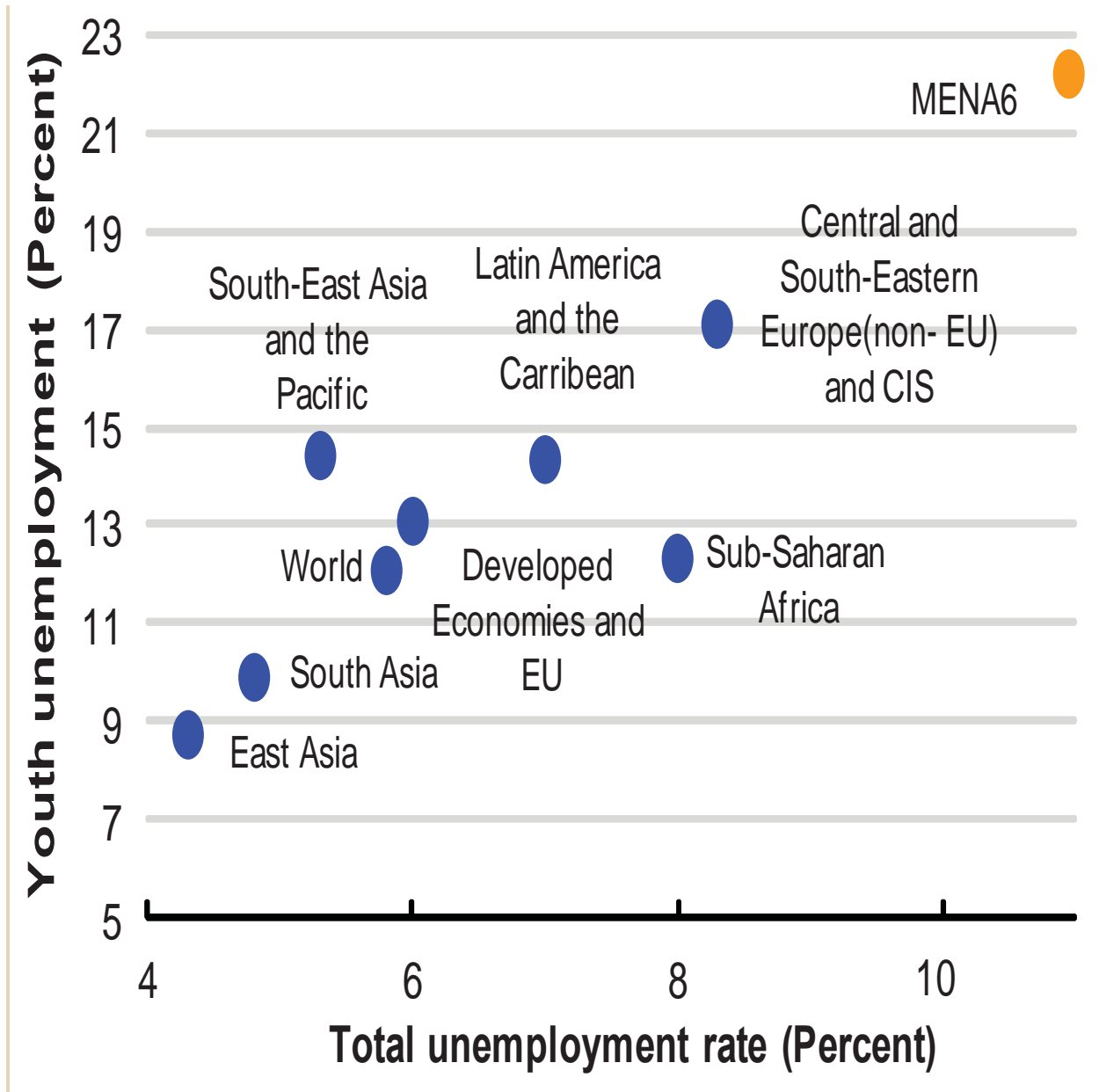
Source: United States Census Bureau, International Data Base, Accessed January 2019.
<http://www.census.gov/population/international/data/idb/informationGateway.php>

**Figure 20: The “Youth Bulge”
(Percentage of Native Population Below 25)**



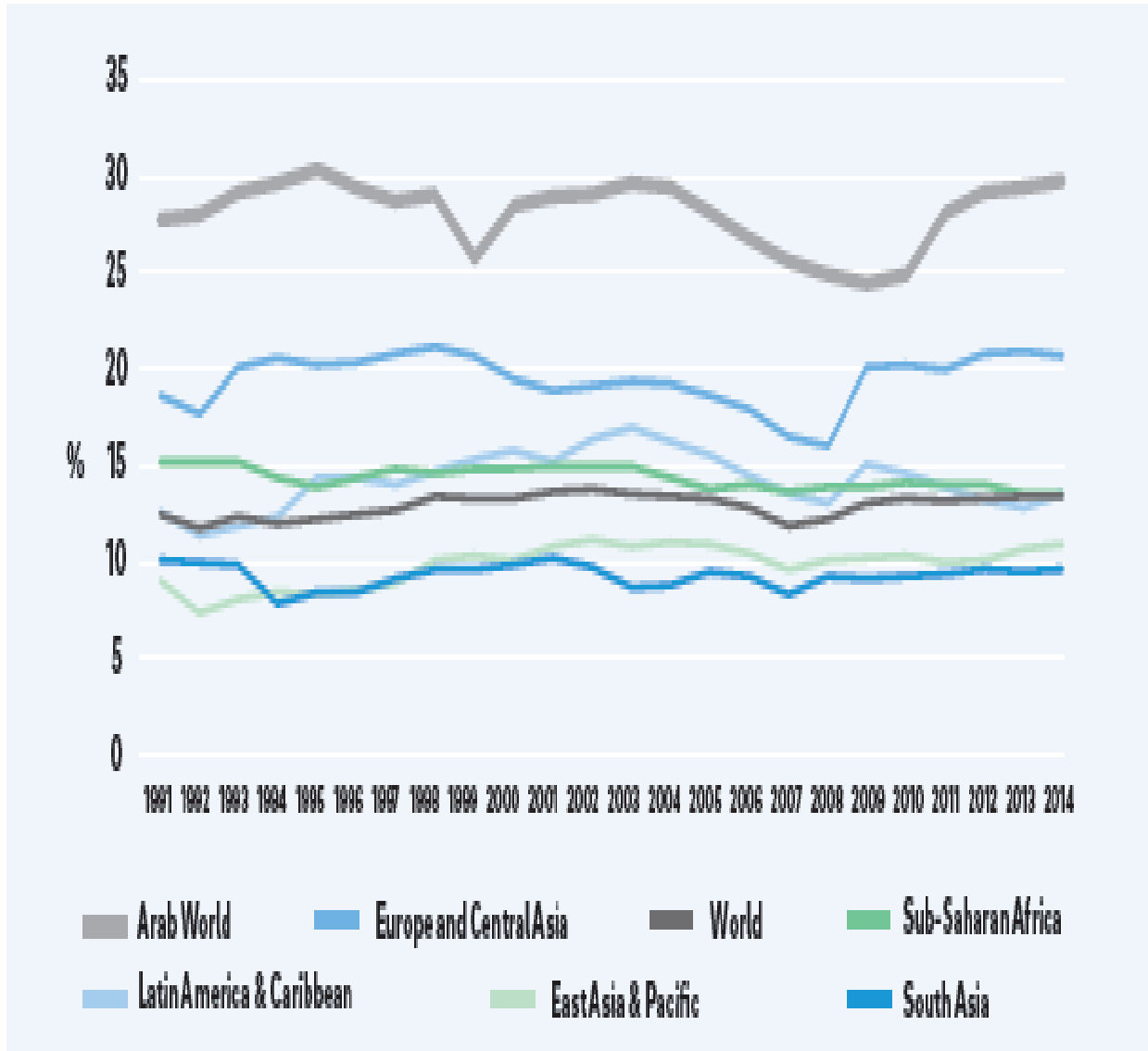
Source: Central Intelligence Agency, World Factbook 2019, Accessed January 2019, <https://www.cia.gov/library/publications/the-world-factbook/>

Figure 21: Total and Youth Unemployment Rates by Region (2008)



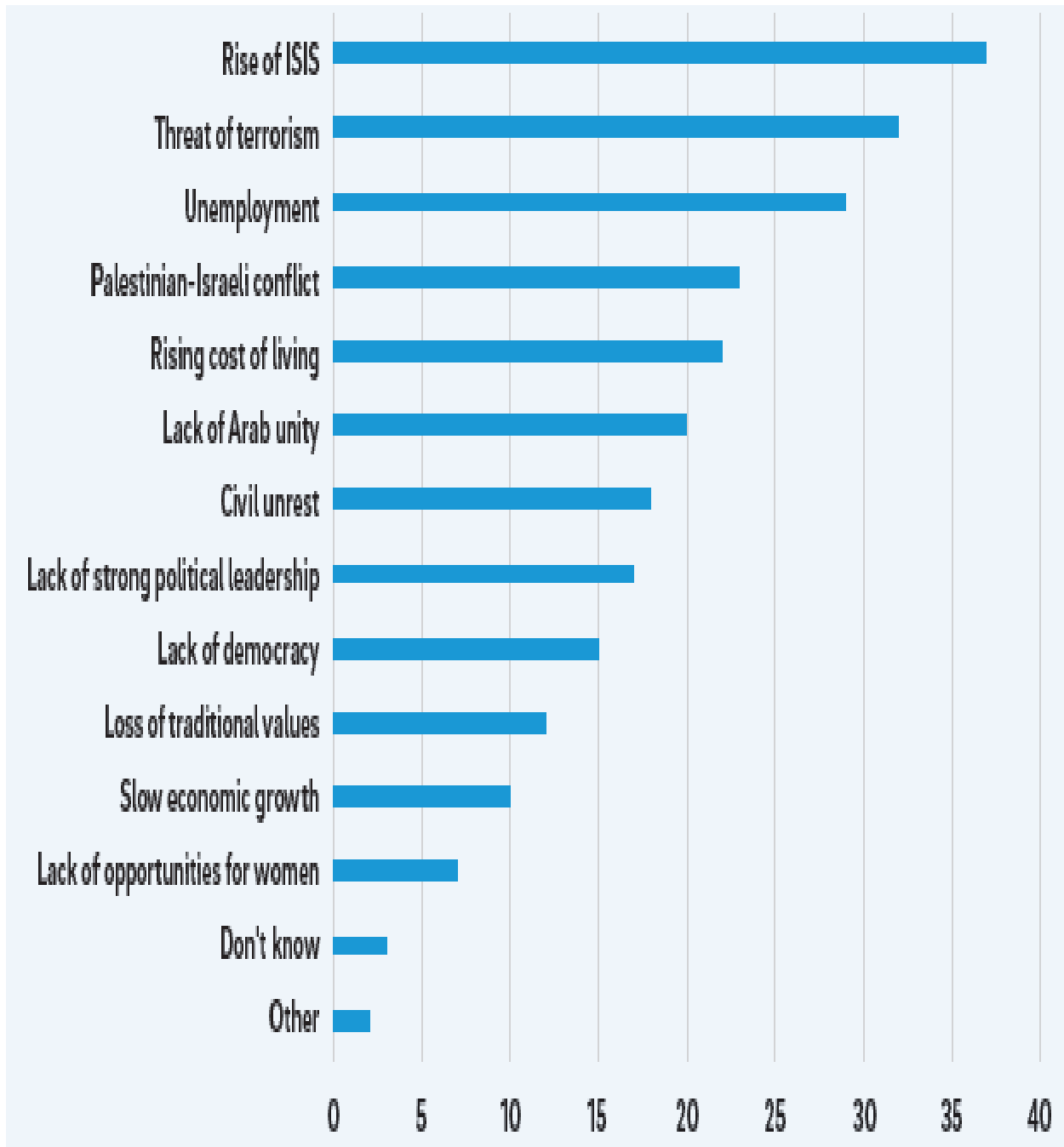
Source: IMF, *World Economic and Financial Surveys, Regional Economic Outlook, Middle East and Central Asia*, October 2010, p. 38

Figure 21: Comparative Youth Unemployment Rate
 (Youth unemployment rate (% of total labor force ages 15–24, modelled ILO estimate), 1991– 2013)



Source: UNDP, Arab Human Development Report, 2016, UN, 2016, p. 81

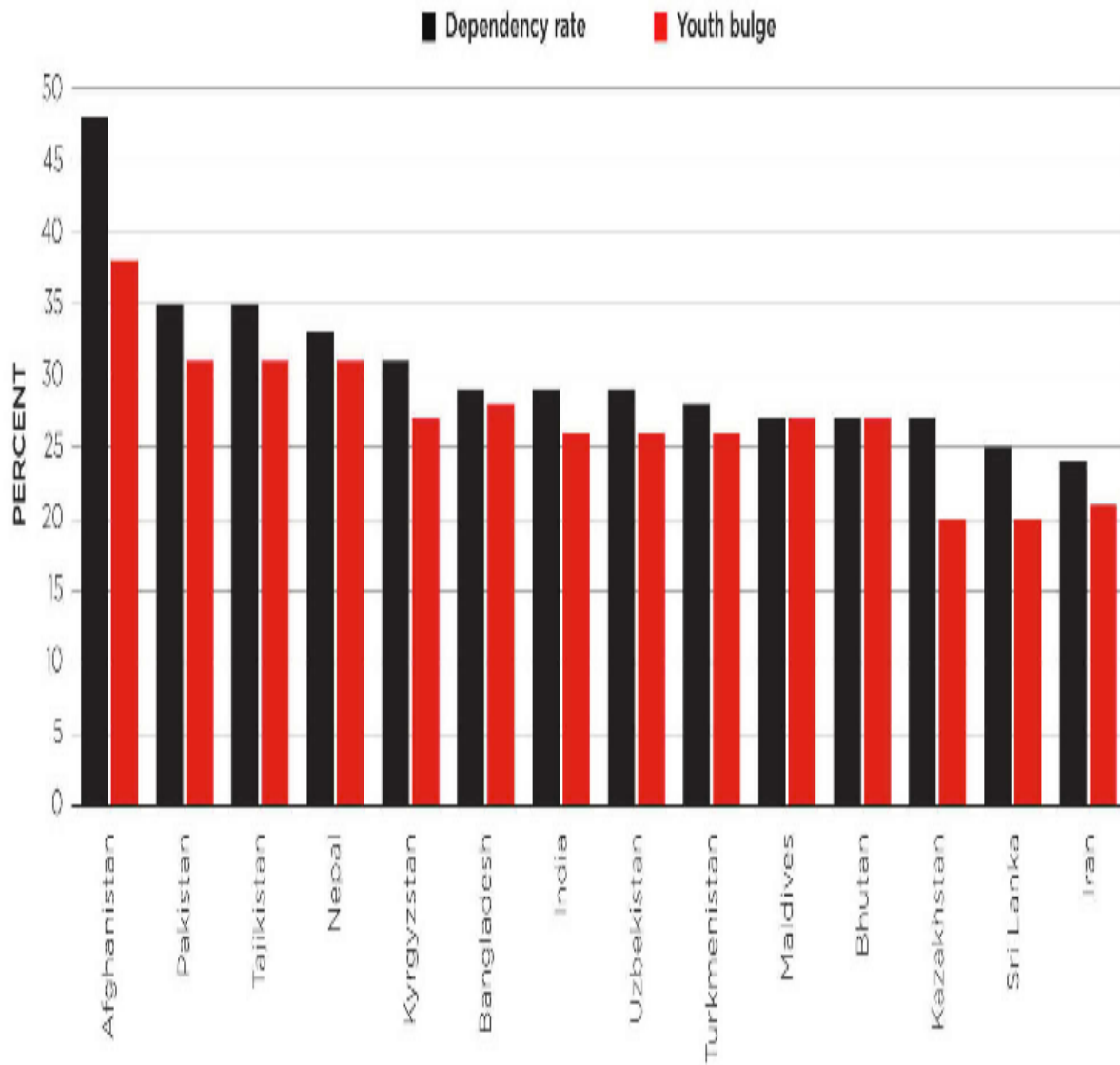
Figure 23: Youth perceptions: What do you believe is the biggest obstacle facing the Middle East?



A regional source of information is the Asda'a Burson-Marsteller Arab Youth Survey, which covered 3,500 youth aged 18–24 in 16 Arab countries (figure 8.7b).

UNDP, *Arab Human Development Report, 2016*, UN, 2016, p. 81; Asda'a 2015

Figure 24: Afghanistan: Youth Bulge (15-24 years of age) and Employment



Notes: Dependency rate defined as (0-15)/(Total Population); Youth bulge defined as (15/24)/(15+).

Source: ALCS 2013-14 (Afghanistan); UNDESA (2015)

World Bank, Rahimi, Ismail; [Redaelli, Silvia](#), AFGHANISTAN POVERTY STATUS UPDATE. PROGRESS AT RISK, World Bank and Islamic Republic of Afghanistan, Ministry of Economy, February 2017, <http://documents.worldbank.org/curated/en/667181493794491292/pdf/114741-WP-v1-P159553-PUBLIC.pdf>.

Key Factors Leading to the Rise of Islamic Extremism: Hyper-Urbanization

Like population growth, urbanization has increased radically since 1950 – even in the poorest MENA countries like Yemen. While any estimates are uncertain, it has risen some 4-6 times in every major country since 1960.

These shifts have broken down many of the traditional social structures and support systems in the region, and led to sharply growing cities where sectarian and ethnic tensions tend to become more critical, class and income difference become clearer, and corruption, favoritism/cronyism, and nepotism become much sharper sources of alienation.

- **Figure 25: Hyper Urbanization in the Gulf: 1950-2030** shows the massive estimated increase in urbanization and population density in Turkey and the Gulf between 1950 and 2039
- **Figure 26: Percentages of Urbanization the MENA in 2018** illustrates the level of hyperurbanization the MENA region in 2018, averaging over 80%.
- **Figure 27: Afghanistan: The Urban Rural Youth Employment Gap** shows the interaction between urbanization and youth unemployment in Afghanistan, and the different levels of education involved.

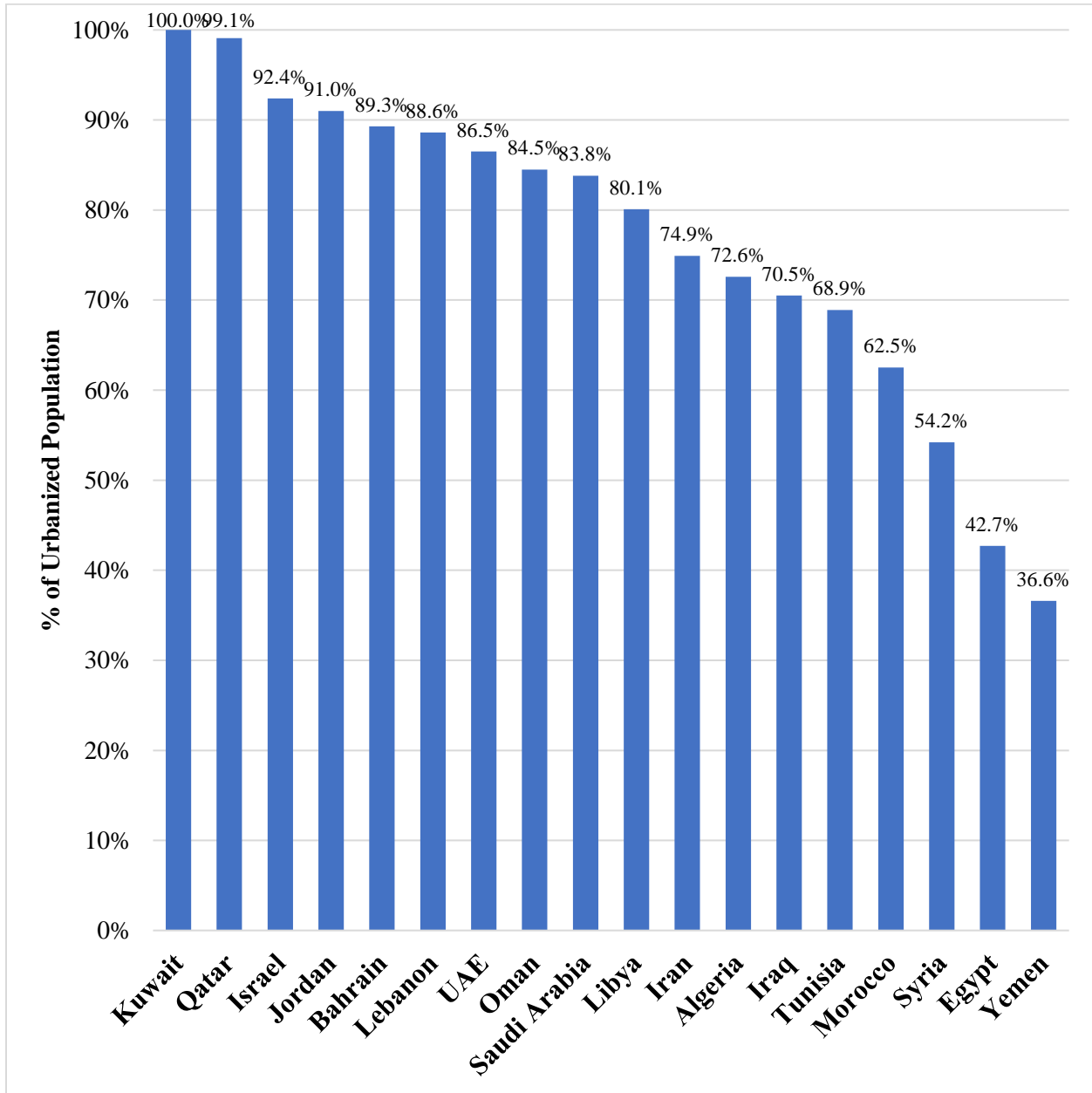
In each case, the figure shows the extent to which populations are now clustered in urban areas, which can both generate pressures for extremism and lead to higher levels of violence.

Figure 25: Hyper Urbanization in the Gulf: 1950-2030



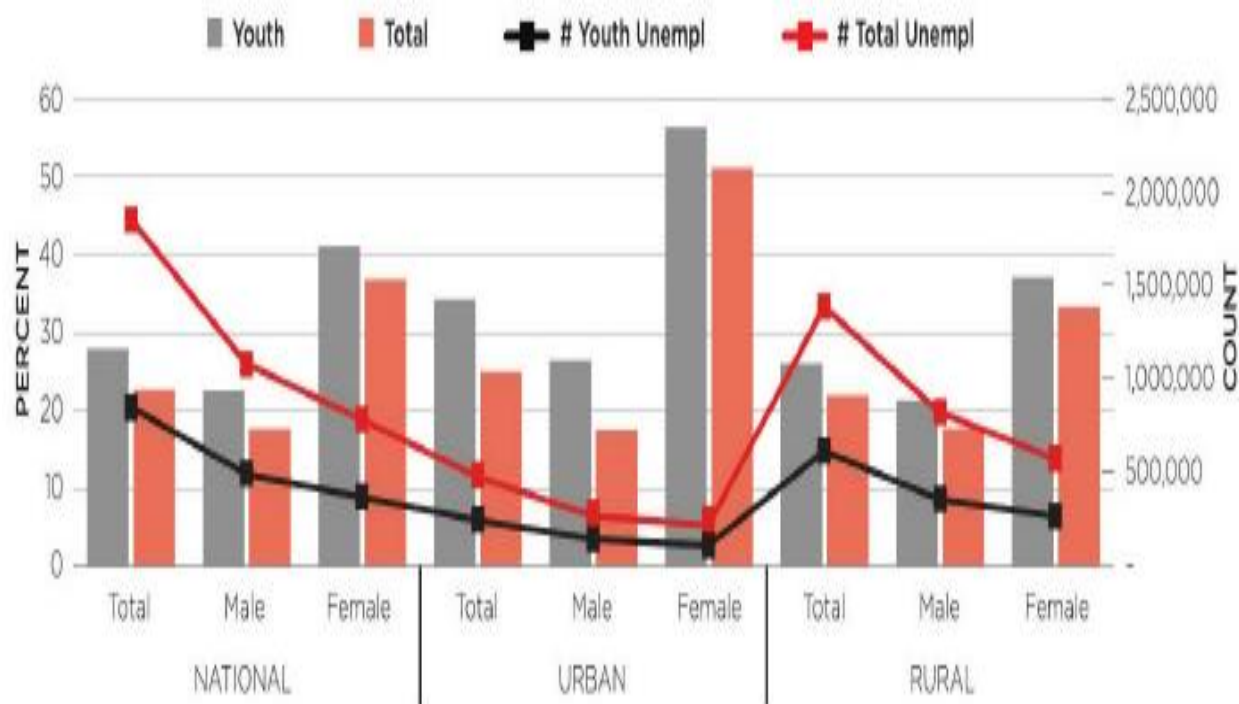
Source: <http://www.citymetric.com/skylines/amazing-map-shows-how-urbanisation-has-accelerated-1950-1709>

Figure 26: Percentages of Urbanization the MENA in 2018



Source: CIA, Accessed January 2019. <https://www.cia.gov/library/publications/the-world-factbook/fields/2212.html>.

Figure 27: Afghanistan: The Urban Rural Youth Employment Gap



Almost one in every four people participating in the labor market, or 1.9 million individuals, are either working less than eight hours per week or do not have a job and are actively looking for one.

Unemployment was particularly severe among youth (27.9 percent) and women (36.8 percent). Nationwide, almost half of the unemployed are below the age of 25 (45.6 percent), reflecting Afghanistan's struggle to create jobs for its growing labor force amidst the economic recession that accompanied the transition phase.

As of 2013-14, approximately 877 thousand youth were unemployed; two-thirds were young men, about 500 thousand, and four in five of these unemployed young men lived in rural areas.

There are stark differences in the education profiles of unemployed youth; while unemployed male youth in urban areas are more likely to be educated-54 percent have secondary education or above-the opposite holds in rural areas, where 54 percent of unemployed male youth have no formal education and 37.1 percent are illiterate.

Source: World Bank, Rahimi, Ismail; [Redaelli, Silvia](#), AFGHANISTAN POVERTY STATUS UPDATE. PROGRESS AT RISK, World Bank and Islamic Republic of Afghanistan, Ministry of Economy, February 2017, <http://documents.worldbank.org/curated/en/667181493794491292/pdf/114741-WP-v1-P159553-PUBLIC.pdf>.

Key Factors Leading to the Rise of Islamic Extremism: Corruption, Governance, Security, Rule of Law

Corruption, and failures in Governance, Security, and Rule of Law involve judgmental measures of the extent to which states do and do not fail their peoples. At the same time, they are some of most direct forces that can generate extremism and terrorist violence in the Islamic world.

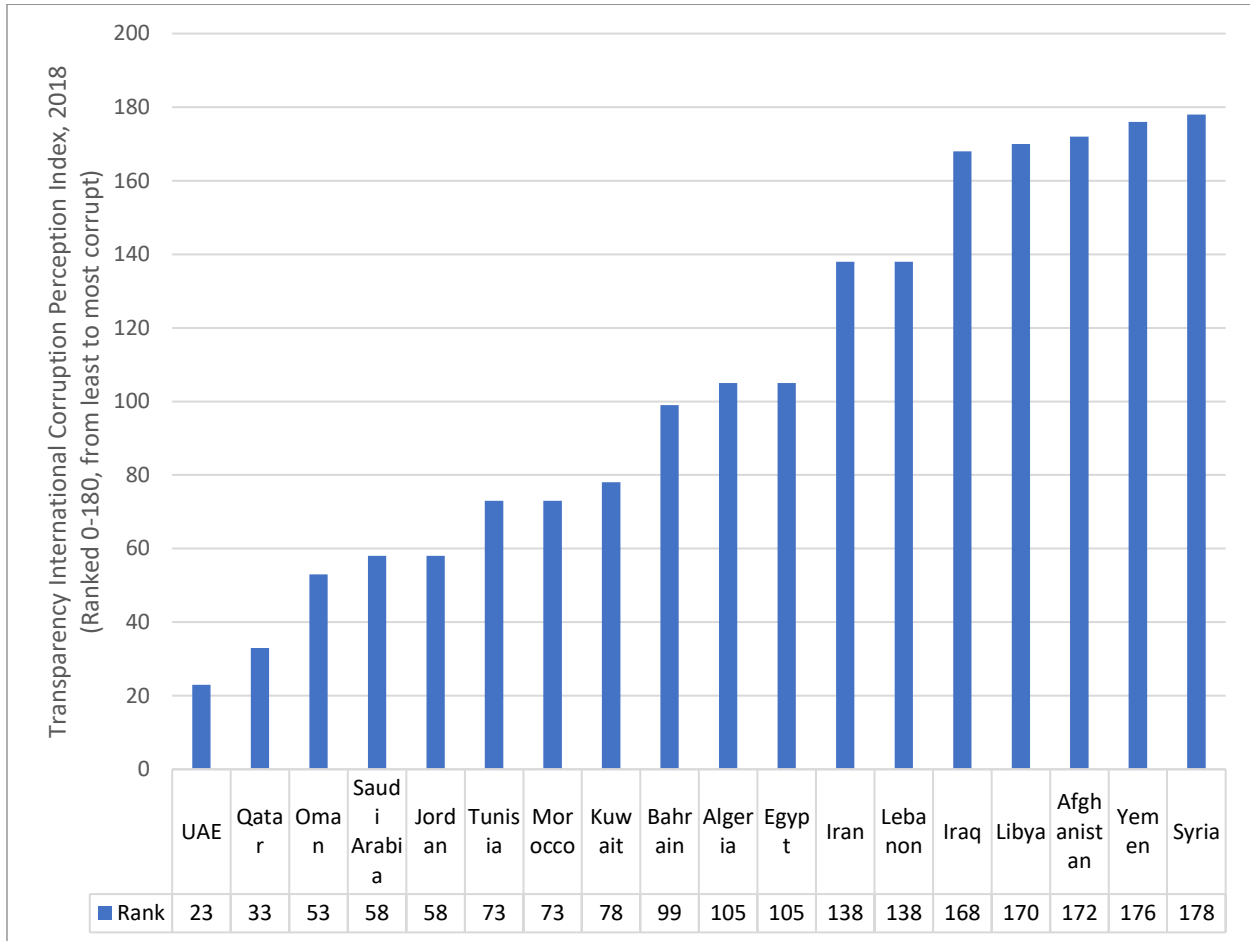
This is clear from the assessments of major international organizations, NGOs, and intelligence experts, that have that have no institutional bias against given region and faiths:

- **Figure 29: Transparency International Corruption Perceptions Ranking in 2017 (Out of 180 Countries)** shows that countries with the highest rates of corruption are the ones that tend to be the source of current civil wars and the highest levels of terrorist violence.
- **Figure 30: Syria: Failed Governance** shows just how low the World Bank's estimate of level of governance has become in Syria – the MENA Islamic state with the highest level of violence and civilian deaths, and a center of ISIS activity. Transparency International rates it as the third most corrupt nation in the world.
- **Figure 31: Iraq: Failed Governance** shows the low levels of governance in Iraq, which also has high levels of extremism and violence. Transparency International rates Iraq as the 11th most corrupt nation in the world.
- **Figure 32: Afghanistan: Failed Governance** shows the even lower levels of governance in Afghanistan, an Islamic nation in South Asia which also has high levels of extremism and violence. Transparency International rates it as being the 4th most corrupt nation in the world.

Other survey data consistently indicate that when polls rate countries as highly corrupt, this is a leading indicator – or warning – that there may be broad popular alienation from the current government.

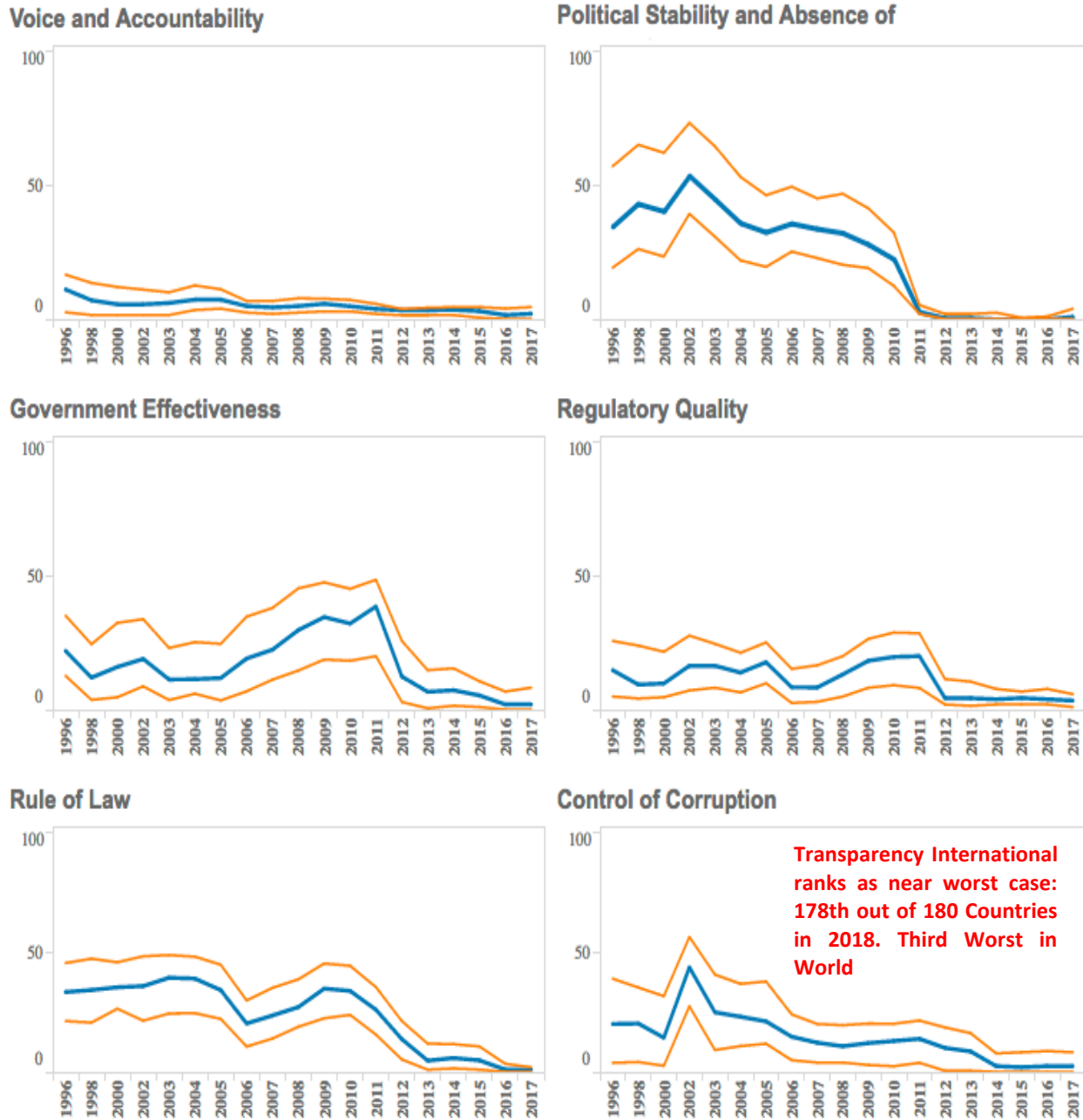
Figure 29: Transparency International Corruption Perceptions Ranking in 2018 (Out of 180 Countries)

“The Corruption Perceptions Index ranks countries and territories based on how corrupt their public sector is perceived to be.”



Source: Transparency International, Corruption Perceptions Index, Accessed January 2019. <https://www.transparency.org/cpi2018>.

Figure 30: Syria: Failed Governance

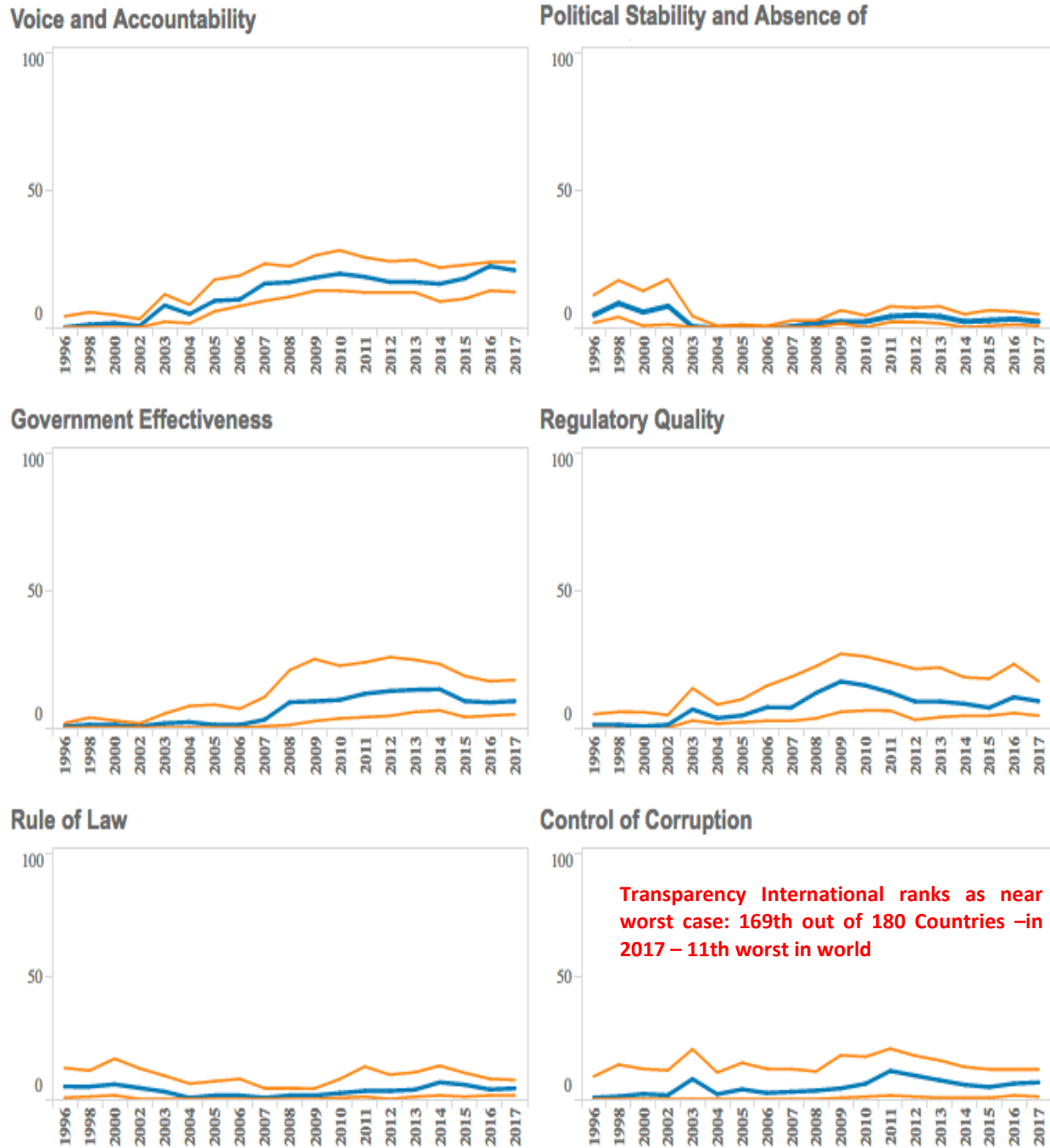


The inner, thicker blue line shows the selected country's percentile rank on each of the six aggregate governance indicators. The outer, thinner red lines show the indicate margins of error.

Transparency International ranks as near worst case: 178th out of 180 Countries in 2018. Third Worst in World

The World Bank, Governance Indicators, <http://info.worldbank.org/governance/wgi/#reports>, accessed January 3, 2019, and Transparency International <https://www.transparency.org/cpi2018>.

Figure 31: Iraq: Failed Governance

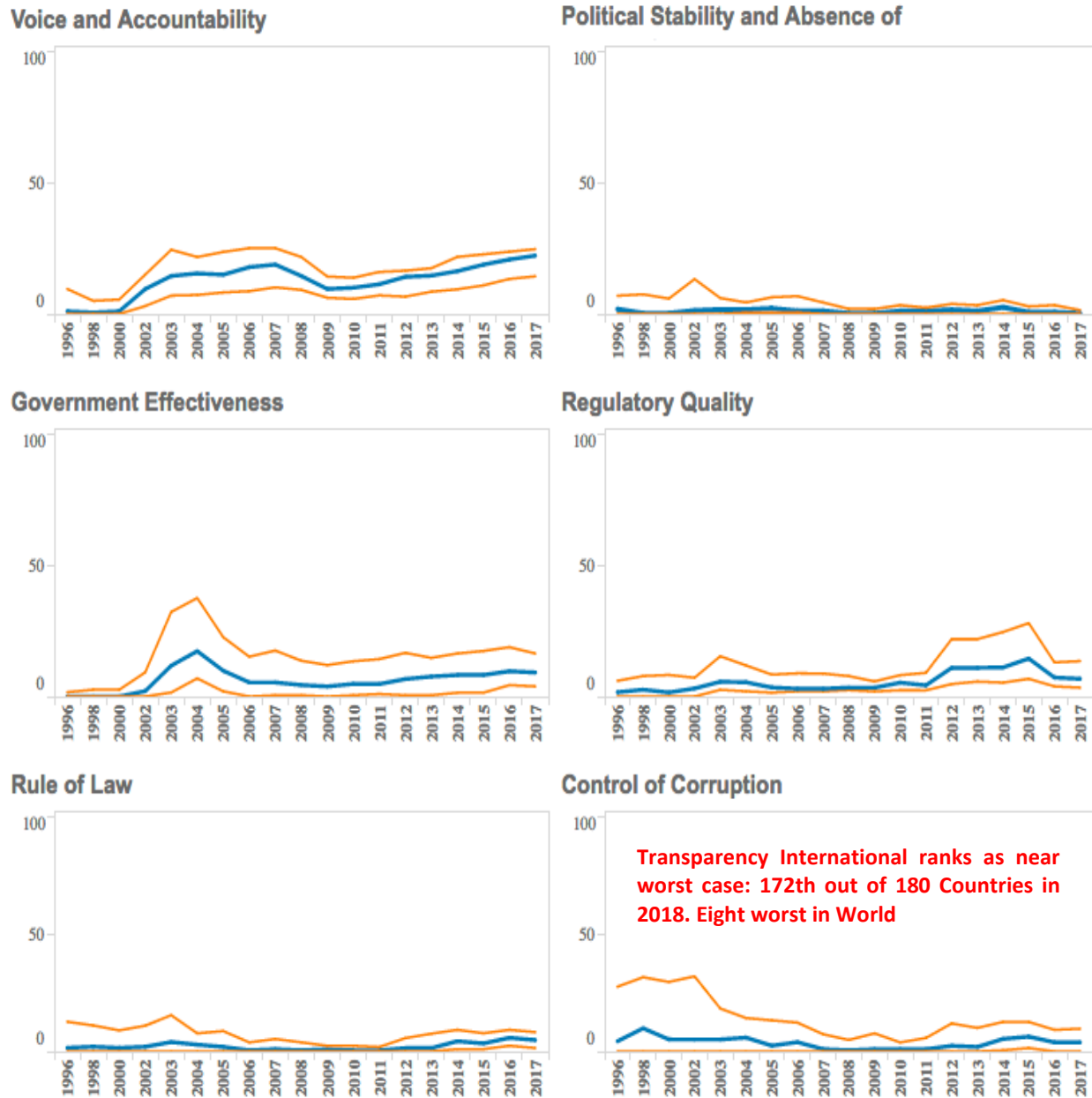


The inner, thicker blue line shows the selected country's percentile rank on each of the six aggregate governance indicators. The outer, thinner red lines show the indicate margins of error.

The World Bank, Governance Indicators, <http://info.worldbank.org/governance/wgi/#reports>, accessed January 3, 2019, and Transparency International

https://www.transparency.org/news/feature/corruption_perceptions_index_2017.

Figure 32: Afghanistan: Failed Governance



The inner, thicker blue line shows the selected country's percentile rank on each of the six aggregate governance indicators. The outer, thinner red lines show the indicate margins of error.

Source: Kaufmann D., A. Kraay, and M. Mastruzzi (2010), *The Worldwide Governance Indicators: Methodology and Analytical Issues*. The Worldwide Governance Indicators are available at: www.govindicators.org

The World Bank, Governance Indicators, <http://info.worldbank.org/governance/wgi/#reports>, accessed January 3, 2019, and Transparency International <https://www.transparency.org/cpi2018>.

Key Factors Leading to the Rise of Islamic Extremism: Poverty” – Impacted by Cronyism, Nepotism, Dead End Careers, Loss of Middle-Class Status, Political Alienation

The past Burk Chair reviews cited earlier that examine the international data on many key aspects of human development – such as education, medical care, life expectancy, poverty, income distribution, dependency ratios, and direct and disguised unemployment – are extremely uncertain. They are rarely comparable, and often are the result of political guesstimates rather than the result of serious collection efforts. They data also do not reflect gross imbalances in income within a given country – and ethnic and sectarian differences –and the GINI data are rarely accurate or credible.

IMF, World Bank, and CIA data on GDP per capita are, however, at least a warning of major problems. So is the regional decline in the UN Human Development indicators for the Arab States.

- **Figure 33: GDP Per Capita By Country: 2017** shows that Iraq, Syria, Libya, and Yemen – states with some of the lowest per capita incomes have the highest rates of extremism and terrorist violence.
- **Figures 34: Decline in UN Human Development Index: 1980-2013** shows the serious decline in the Arab region as reported in the UNDP Arab Development Report for 2016.

The Arab Development report notes that,

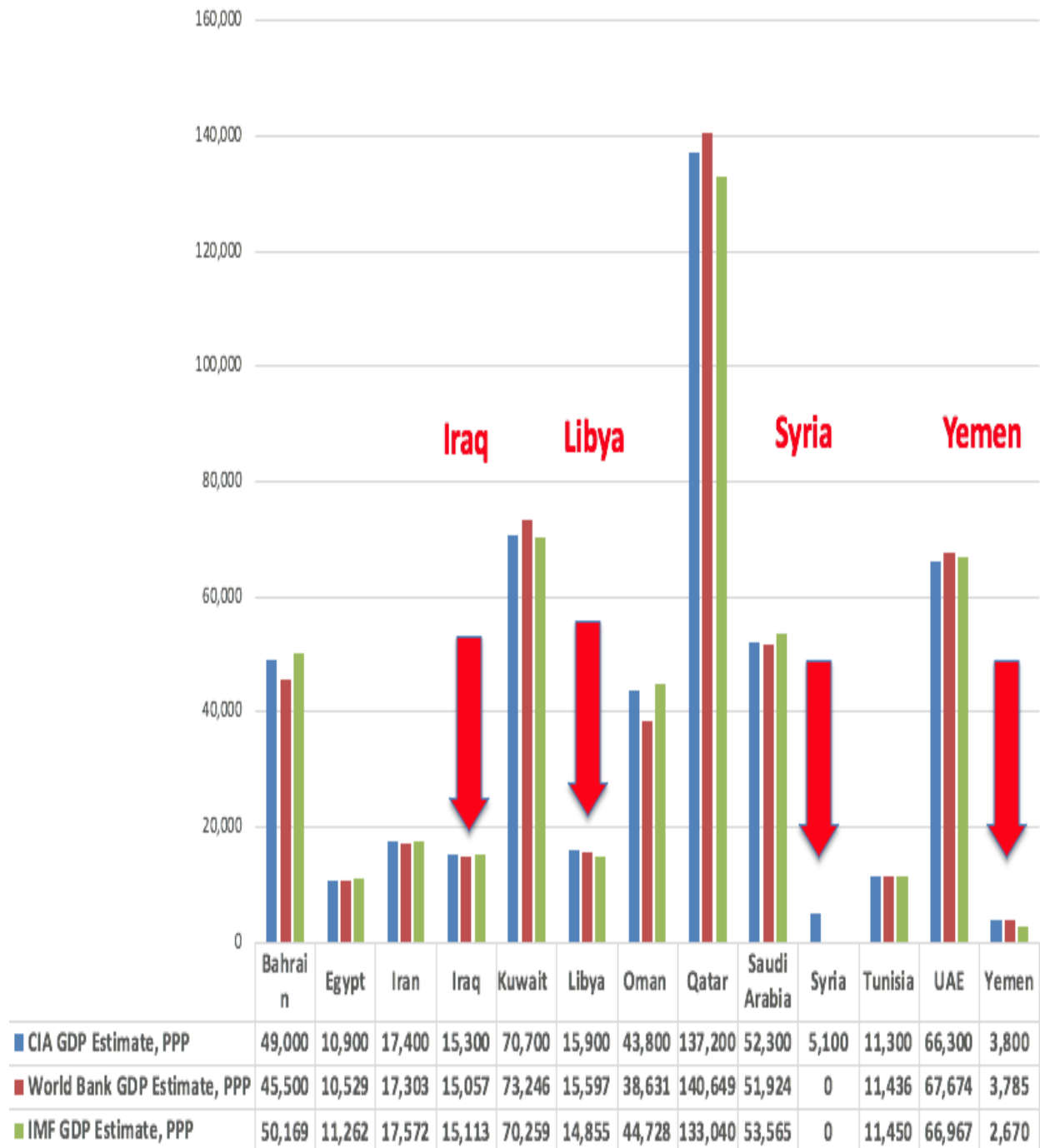
“Over its 35-year history, the human development index (HDI) has remained the most salient tool in the human development approach to measuring human well-being. The HDI tracks improvements in key aspects of people’s lives, capturing progress in three basic human capabilities: to live a long and healthy life, to be educated and knowledgeable, and to enjoy a decent standard of living. It stands as an alternative to the purely economic gross domestic product (GDP) indicator and is helpful in monitoring and understanding change in societies because it allows progress to be assessed more broadly.

“Measured in terms of the HDI, all Arab countries increased their level of achievement between 1980 and 2010, driven mostly by gains in education and health, while income fell behind in comparison. Although it is difficult to place the Arab countries into one Arab basket, the region still scores lower than the world average on the HDI and already lags three of the world’s six regions, namely, East Asia and the Pacific, Europe and Central Asia and Latin America and the Caribbean. By the year 2050, the region is projected to rank fifth, only a little ahead of sub-Saharan Africa.

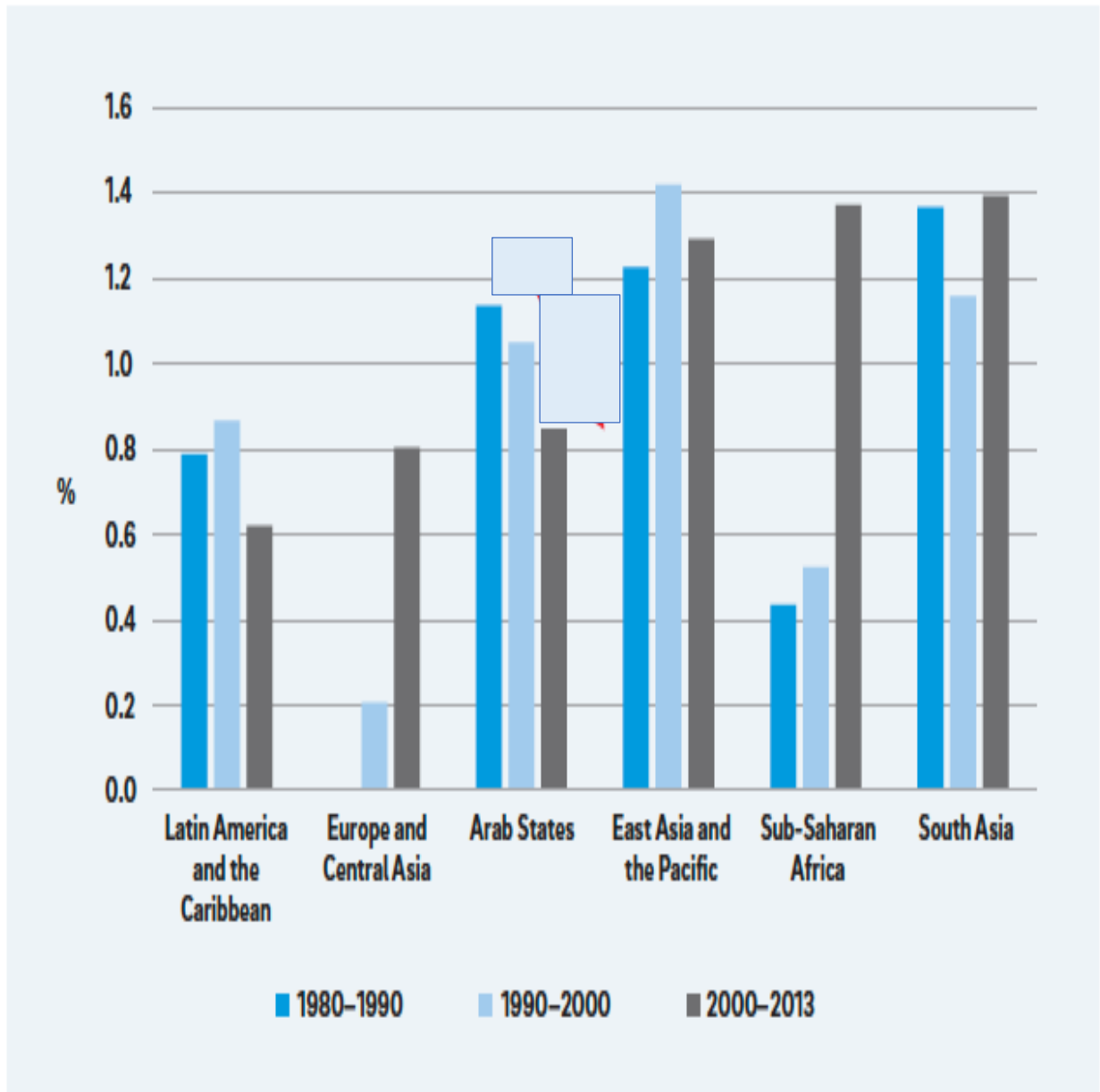
“The progress achieved in some areas of human development over the years has tended to elevate the expectations of people in Arab countries, and this has taken on even more importance because many people have become more well educated, are living longer lives and are more connected to the outside world. Yet, enhancing human development is only meaningful if people have the opportunity to make choices and if they are free to exercise these choices. In this sense, any improvement in the HDI is incomplete unless it also measures positively the ability of people to act.”

While reporting on *population below the poverty line* is often questionable and hard to compare, it is notable that Afghanistan has a CIA *World Factbook* estimate of 54.5% (1017), Egypt is rated at 26.5% (2016), Iraq is rated at 23% (2014), Syria is rated at 82.5% (2014), and Yemen was rated at 54% in 2014 – before its civil war even began.

Figure 33: GDP Per Capita By Country: 2017



Figures 34: Decline in UN Human Development Index: 1980-2013



UNDP, *Arab Human Development Report, 2016*, UN, 2016, pp. 23-25

Key Factors Leading to the Rise of Islamic Extremism: The “2001,” “2003,” and “2011” Effects: How Do Islamic Conflict States Recover?

The final indicators covered in this survey examine the problems key conflict states now face in rebuilding their economies and civil stability. Wartime and crises data are always uncertain, but work by the World Bank, CIA, and other sources make the sheer scale of future challenges and risks created by that recent and ongoing conflicts all too clear.

It is critical also to understand that meeting urgent humanitarian needs is vital in human terms, but at best buys time. It does not lead to recovery and development. Similarly, "reconstruction" may or may not help. It can be a vital task in allowing people to have normal lives, but rebuilding the past may fail to meet current and future needs, can lead to vast amounts of waste and corruption and do little to put a country on the path to sustained development at levels that meet the needs of all its people.

It is really important to note that there is no credible way to estimate the real-world level of humanitarian aid, reconstruction aid, and development aid that will be needed. The most any analysis can do is make a rough guesstimate based on the cost of some idealized goal. In the real world, politics, corruption, and the inability to guess at the full extent of current and future need will lead to major delays, capacity problems, and waste, fraud, and abuse.

Carefully allocated aid can certainly help but calling for massive outside funding and "Marshall Plans" borders on the theater of the absurd. No current major conflict country can develop or manage such efforts. No international agency has the resources, methodology, and skillset to develop such master plans and implement them – much less the authority to overrule the host government involved.

Accordingly, the problems outlined in the following figures are likely to serve as a source of new forms of extremism, violence, and internal divisions at some level for at least the next decade – barring a sudden and semi-miraculous improvement in in-country governance and unity, levels of management and resources in outside aid, and the quality of planning and management help from international agencies. Furthermore, any aid effort that is not conditional, and not subject to tight financial controls and penalties is doomed to failure.

- **Figure 35: Iraq: Human Costs** shows a range of illustrative challenges for Iraq – challenges which are much worse in the largely Sunni West where the fighting against extremism has been most serious. The immediate humanitarian challenges are only a part of the story in meeting the future challenges in bring stability and limiting extremism:

“Iraq's GDP growth slowed to 1.1% in 2017, a marked decline compared to the previous two years as domestic consumption and investment fell because of civil violence and a sluggish oil market. The Iraqi Government received its third tranche of funding from its 2016 Stand-By Arrangement (SBA) with the IMF in August 2017, which is intended to stabilize its finances by encouraging improved fiscal management, needed economic reform, and expenditure reduction. Additionally, in late 2017 Iraq received more than \$1.4 billion in financing from international lenders, part of which was generated by issuing a \$1 billion bond for reconstruction and rehabilitation in areas liberated from ISIL.

“Investment and key sector diversification are crucial components to Iraq’s long-term economic development and require a strengthened business climate with enhanced legal and regulatory oversight to bolster private-sector engagement. The overall standard of living depends on global oil prices, the

central government passage of major policy reforms, a stable security environment post-ISIS, and the resolution of civil discord with the Kurdish Regional Government (KRG).

“Iraq's largely state-run economy is dominated by the oil sector, which provides roughly 85% of government revenue and 80% of foreign exchange earnings, and is a major determinant of the economy's fortunes. Iraq's contracts with major oil companies have the potential to further expand oil exports and revenues, but Iraq will need to make significant upgrades to its oil processing, pipeline, and export infrastructure to enable these deals to reach their economic potential.

“In 2017, Iraqi oil exports from northern fields were disrupted following a KRG referendum that resulted in the Iraqi Government reasserting federal control over disputed oil fields and energy infrastructure in Kirkuk. The Iraqi government and the KRG dispute the role of federal and regional authorities in the development and export of natural resources. In 2007, the KRG passed an oil law to develop IKR oil and gas reserves independent of the federal government. The KRG has signed about 50 contracts with foreign energy companies to develop its reserves, some of which lie in territories taken by Baghdad in October 2017. The KRG is able to unilaterally export oil from the fields it retains control of through its own pipeline to Turkey, which Baghdad claims is illegal. In the absence of a national hydrocarbons law, the two sides have entered into five provisional oil- and revenue-sharing deals since 2009, all of which collapsed.

“Iraq is making slow progress enacting laws and developing the institutions needed to implement economic policy, and political reforms are still needed to assuage investors' concerns regarding the uncertain business climate. The Government of Iraq is eager to attract additional foreign direct investment, but it faces a number of obstacles, including a tenuous political system and concerns about security and societal stability.

“Rampant corruption, outdated infrastructure, insufficient essential services, skilled labor shortages, and antiquated commercial laws stifle investment and continue to constrain growth of private, nonoil sectors. Under the Iraqi constitution, some competencies relevant to the overall investment climate are either shared by the federal government and the regions or are devolved entirely to local governments. Investment in the IKR operates within the framework of the Kurdistan Region Investment Law (Law 4 of 2006) and the Kurdistan Board of Investment, which is designed to provide incentives to help economic development in areas under the authority of the KRG.

“Inflation has remained under control since 2006. However, Iraqi leaders remain hard-pressed to translate macroeconomic gains into an improved standard of living for the Iraqi populace. Unemployment remains a problem throughout the country despite a bloated public sector. Overregulation has made it difficult for Iraqi citizens and foreign investors to start new businesses. Corruption and lack of economic reforms - such as restructuring banks and developing the private sector - have inhibited the growth of the private sector.

The World Bank does see better immediate prospects for Iraq as a result of the apparent defeat of ISIS, but its April 2018 Overview still contains important warnings:

“The ISIS war and the protracted reduction in oil prices have resulted in a 21.6 percent contraction of the non-oil economy since 2014 and contributed to a sharp deterioration of fiscal and current accounts. Higher oil prices and better security in 2017 contributed to economic stability and a return to growth in the non-oil sector.

“The ISIS war and widespread insecurity have also caused the destruction of infrastructure and assets in ISIS-controlled areas, diverted resources away from productive investment, severely impacted private sector consumption and investment confidence, and increased poverty, vulnerability and unemployment. The poverty rate increased from 19.8 percent in 2012 to an estimated 22.5 percent in 2014. The unemployment rate is about twice as high in the governorates most affected by ISIS compared to the rest of the country (21.6 percent versus 11.2 percent).

“Because of increased oil production and exports, overall GDP growth remained positive in the 2015-2016 period but is estimated to have contracted by 0.8 percent in 2017 due to a 3.5 percent reduction in oil production to fulfill the OPEC+ agreement and further oil output reduction from areas that returned under the GOI's control. At the end of 2017, the cumulative real losses due to the conflict stood at 72

percent of the 2013 GDP and 142 percent of the 2013 non-oil GDP. The improved security situation and initial reconstruction efforts have sustained non-oil growth at 4.4 percent in 2017. The pegged exchange rate and subdued demand have kept inflation low at around 0.1 percent in 2017.

“The fiscal deficit is estimated to have narrowed to 2.2 percent of GDP in 2017 due to higher oil prices and measures to contain current expenditures. GOI also tapped the sovereign bond market in August 2017, the first independent issuance since 2006, with a US\$1 billion bond. Large borrowing and issuance of debt guarantees increased the public debt-to-GDP ratio from 32 percent in 2014 to 64.4 percent in 2016.

Thanks to fiscal consolidation and higher oil prices, total public debt is estimated to have declined to 58 percent of GDP in 2017. In 2017, the government made progress to reduce a large stock of guarantees and improve their management. The GOI is also prioritizing

- **Figure 36: Syria: Human Costs** shows a similar selection of data for Syria. Once again, however, the human costs are only part of the future challenge. Current poverty data is extremely unreliable and contradictory for almost all developing countries, but the CIA provides an estimate for Syria that is all too likely to be real. It puts the percent of poverty at 82.5% of the total population and the average level of unemployment at 50% – with youth unemployment almost certainly much higher.

More broadly, the CIA summarizes Syria’s current economy as follows:

“Syria’s economy has deeply deteriorated amid the ongoing conflict that began in 2011, declining by more than 70% from 2010 to 2017. The government has struggled to fully address the effects of international sanctions, widespread infrastructure damage, diminished domestic consumption and production, reduced subsidies, and high inflation, which have caused dwindling foreign exchange reserves, rising budget and trade deficits, some economic indicators began to stabilize, including the exchange rate and inflation, but economic activity remains depressed and GDP almost certainly fell.

“During 2017, the ongoing conflict and continued unrest and economic decline worsened the humanitarian crisis, necessitating high levels of international assistance, as more than 13 million people remain in need inside Syria, and the number of registered Syrian refugees increased from 4.8 million in 2016 to more than 5.4 million.”

The World Bank provides a similar picture. Its April 2018 overview of Syria states that,

“Now into its seventh year, the violent conflict in Syria continues to take a heavy toll on the life of Syrian people and on the Syrian economy. The UN estimates that more than 250,000 people have died, while other sources place the death toll at almost 500,000 (470,000) with 1.2 million people injured. More than 6.3 million people are internally displaced and 4.9 million are officially registered as refugees.

“The social and economic impacts of the conflict are also large—and growing. The lack of sustained access to health care, education, housing, and food have exacerbated the impact of the conflict and pushed millions of people into unemployment and poverty. In addition, a severe decline in oil receipts and disruptions of trade has placed even more pressure on Syria’s external balances, resulting in the rapid depletion of its international reserves.”

- **Figure 37: The Opportunity Cost of Conflict: Loss of GDP in Iraq & Syria** shows the massive loss of economic growth caused by the fighting in Iraq and Syria – losses that have grown far worse in the years since 2016, and that will affect their stability for a decade to come.
- **Figure 38: Yemen: Human and Economic Costs** *helps* put the forces that will drive the future instability unleashed by the war Yemen in perspective. The CIA *World Factbook* estimated that 54% of the population below the extreme poverty line in 2017, even by Yemen’s low standards and characterized the situation in Yemen as follows in October 2018:

“The ongoing war has halted Yemen’s exports, pressured the currency’s exchange rate, accelerated inflation, severely limited food and fuel imports, and caused widespread damage to infrastructure. The conflict has also created a severe humanitarian crisis - the world’s largest cholera outbreak currently at nearly 1 million cases, more than 7 million people at risk of famine, and more than 80% of the population in need of humanitarian assistance.”

“Prior to the start of the conflict in 2014, Yemen was highly dependent on declining oil and gas resources for revenue. Oil and gas earnings accounted for roughly 25% of GDP and 65% of government revenue. The Yemeni Government regularly faced annual budget shortfalls and tried to diversify the Yemeni economy through a reform program designed to bolster non-oil sectors of the economy and foreign investment. In July 2014, the government continued reform efforts by eliminating some fuel subsidies and in August 2014, the IMF approved a three-year, \$570 million Extended Credit Facility for Yemen.

“However, the conflict that began in 2014 stalled these reform efforts and ongoing fighting continues to accelerate the country’s economic decline. In September 2016, President HADI announced the move of the main branch of Central Bank of Yemen from Sanaa to Aden where his government could exert greater control over the central bank’s dwindling resources.

“Regardless of which group controls the main branch, the central bank system is struggling to function. Yemen’s Central Bank’s foreign reserves, which stood at roughly \$5.2 billion prior to the conflict, have declined to negligible amounts. The Central Bank can no longer fully support imports of critical goods or the country’s exchange rate. The country also is facing a growing liquidity crisis and rising inflation. The private sector is hemorrhaging, with almost all businesses making substantial layoffs. Access to food and other critical commodities such as medical equipment is limited across the country due to security issues on the ground. The Social Welfare Fund, a cash transfer program for Yemen’s neediest, is no longer operational and has not made any disbursements since late 2014.

“Yemen will require significant international assistance during and after the protracted conflict to stabilize its economy. Long-term challenges include a high population growth rate, high unemployment, declining water resources, and severe food scarcity.”

The World Bank faces the same problems in trying to analyze the impact of war on Yemen’s economy – as does every other institution. Its public reporting lags behind the fighting in some important respects. Even so, it warns that Yemen may well become to worst case in all four wars. Its October 2017 economic outlook states that:

“The violent conflict in Yemen has caused a dramatic deterioration of the economic and social conditions in the country. Output has contracted sharply. FAO estimates that over 7 million people are at risk of famine in 2017, and cholera outbreaks are ravaging the country with nearly 450,000 suspected cases having resulted in nearly 2,000 deaths per end of August.

“Since the escalation of violent conflict in March of 2015, Yemen’s economy has deteriorated sharply. Although official statistics are no longer available, evidence suggests that Yemen’s GDP contracted by about 37.5 percent cumulatively since 2015 while employment opportunities in the private sector have significantly diminished. Economic activity in agriculture services, and oil and gas production—the largest components of GDP, remains limited due to the ongoing conflict. Furthermore, the commensurate dramatic decrease in government revenues, especially from the much reduced oil and gas production, have contributed to the implosion of the formal social safety net and infrequent payment of public salaries.

“In addition, the conflict has led to increasing inflation and pressure on the exchange rate, which further undermined household income at a time when approximately 40 percent of households reported to have lost their primary income source (according to the 2016 Gallup World Poll). Imports have greatly contracted given the dwindled foreign reserves of the Central Bank of Yemen (CBY). Critical food and energy imports are facilitated exclusively through private channels without support from financial trade services offered earlier by the CBY.

“Additionally, the involvement of Yemen’s key ports in the conflict have further undermined the ability to import key commodities including food, fuel, and medical supplies to parts of the country. These

hurdles are particularly challenging given that Yemen had previously imported approximately 90 percent of its food, and the conflict has exacerbated the need for fuel and imported medical equipment.”

The World Bank’s Overview for April 2018 notes that: “After more than three years of escalating conflict, Yemen continues to face an unprecedented humanitarian, social and economic crisis.

“About 75% of the population (22.2 million people) requires humanitarian assistance. An estimated 17.8 million are food insecure -8.4 million people are severely food insecure and at risk of famine. 16 million lack access to safe water and sanitation, and 16.4 million lack access to adequate healthcare. Cholera, diphtheria and other communicable diseases rates have hit the Yemeni people hard.

“Nation-wide, about 1.8 million children and 1.1 million pregnant or lactating women are acutely malnourished including 400,000 children under the age of five who are suffering from severe acute malnutrition. Over 3 million people have been forced to flee from their homes. Yemen’s public institutions are struggling with service delivery at even the most basic levels, a situation further been complicated by the lack of regular salary payments to many public workers.

“Moreover, the economy is badly hit by the prolonged conflict, depriving millions from their livelihoods and jobs and driving poverty levels to over 80 percent.”

- **Figure 39: Afghanistan: World Bank Poverty Warning** provides the key graphics as the future causes of instability in Afghanistan reported in 2017 by a World Bank field team – one of the few open-source estimates that addressed such issues in the field.

The World Bank and CIA provide the following data on Afghanistan, which raise major issues regarding its future stability and the outcome of a peace settlement:

- Business sentiment remains suppressed
- Agriculture sector’s performance has also been mixed in 2016; cereals production recorded a decline of nearly 5 percent while fruit production has been higher.
- Real gross domestic product (GDP) growth is projected to have only marginally increased from 0.8 percent in 2015 to 1.2 percent in 2016. With a population growth of nearly 3 percent, such a level of economic growth implies a decline in per capita income.
- Inflation increased from -1.5 percent in 2015 to 4.4 percent in 2016, driven by lagged effects of currency depreciation and a recovery in global food prices.
- Revenue collection has significantly improved in the past two years after the abrupt decline in revenues in 2014. But, revenues: \$1.7 billion and expenditures: \$6.639 billion (2015 est.) –Budget deficit was 26.8% of GDP (2015 est.)
- Domestic revenues increased by nearly 15 percent in 2016, which exceeded the revenue target by around 5 percent.
- Both tax and non-tax revenues increased, while customs duties remained flat given weak imports. In proportion to GDP, however, revenue collection still remains relatively low at 10.7 percent.
- With an increase in exports and slower growth for imports (due to weaker domestic demand), the trade deficit is estimated to have improved from -36.7 percent of GDP in 2015 to -35.0 percent in 2016. The large trade deficit continues to be financed by foreign aid, with the current account balance expected in a small surplus estimated at around 4 percent of GDP in 2016. (Exports were \$658 million (2014 est.), \$.679 billion (2013 est.) not including illicit exports or reexports. Imports were \$7.004 billion (2014 est.) \$12.19 billion (2013 est.)

The CIA *World Factbook* estimates that some 55% of Afghanistan’s population was below the poverty line in 2017, and 24% was unemployed. The CIA summarizes the situation in Afghanistan as follows:

Despite improvements in life expectancy, incomes, and literacy since 2001, Afghanistan is extremely poor, landlocked, and highly dependent on foreign aid. Much of the population continues to suffer from shortages of housing, clean water, electricity, medical care, and jobs.

Corruption, insecurity, weak governance, lack of infrastructure, and the Afghan Government's difficulty in extending rule of law to all parts of the country pose challenges to future economic growth. Afghanistan's living standards are among the lowest in the world. Since 2014, the economy has slowed, in large part because of the withdrawal of nearly 100,000 foreign troops that had artificially inflated the country's economic growth.

The international community remains committed to Afghanistan's development, pledging over \$83 billion at ten donors' conferences between 2003 and 2016. In October 2016, the donors at the Brussels conference pledged an additional \$3.8 billion in development aid annually from 2017 to 2020. Even with this help, Government of Afghanistan still faces number of challenges, including low revenue collection, anemic job creation, high levels of corruption, weak government capacity, and poor public infrastructure.

In 2017 Afghanistan's growth rate was only marginally above that of the 2014-2016 average. The drawdown of international security forces that started in 2012 has negatively affected economic growth, as a substantial portion of commerce, especially in the services sector, has catered to the ongoing international troop presence in the country.

Afghan President Ashraf GHANI Ahmadzai is dedicated to instituting economic reforms to include improving revenue collection and fighting corruption. The government has implemented reforms to the budget process and in some other areas. However, many other reforms will take time to implement and Afghanistan will remain dependent on international donor support over the next several years.

The World Bank provided the following summary of the current crisis in the Afghan economy in its October 2018 Overview. While it did report some positive developments in terms of budgets, GDP growth and balance of payments, its analysis of the situation the Afghan people faced was grim:

Economic recovery is slow as continued insecurity is curtailing private investment and consumer demand. Agricultural growth has been constrained by unfavorable weather conditions. The fiscal position has remained strong, driven by improvements in revenue performance, although the government remains heavily reliant on donor grants. Poverty has increased amid slow growth, security disruptions to services, and poor agricultural performance.

Afghanistan faces numerous political challenges as it fights the insurgency. Parliamentary elections are scheduled to take place on October 20, 2018. Presidential elections are due in April 2019.

Peace talks have gained some momentum after the Kabul Conference in February 2018 in which President Mohammad Ashraf Ghani made an unconditional offer for negotiations with Taliban, followed by a brief first-ever ceasefire in June, and subsequent direct talks between the US and Taliban.

The security situation has worsened. Civilian casualties are at their highest since 2002, with an unprecedented level of conflict-induced displacement. Since 2007, the number of injuries and deaths has increased five-fold, and in 2016 and 2017, more than 1.1 million Afghans were internally displaced due to conflict. Between January – June 2018, the United Nations Assistance Mission for Afghanistan (UNAMA) recorded 1,692 civilian casualties – more than at any comparable time over the last 10 years since records have been kept...UNAMA attributed 52 percent of civilian casualties from suicide and complex attacks by Daesh, mainly in Kabul and Nangarhar Province.... The Taliban were responsible for 40 percent and the remainder were attributed to unidentified anti-government elements.

“At the same time, 2016 and 2017 witnessed the return of almost 1.7 million documented and undocumented Afghan refugees, primarily from Pakistan and Iran. Internal displacement and large-scale return within a difficult economic and security context poses risks to welfare, not only for the displaced, but also for host communities and the population at large, putting pressure on service delivery systems and increasing competition for already scarce public services and economic opportunities.”

Figure 35: Iraq: Human Costs

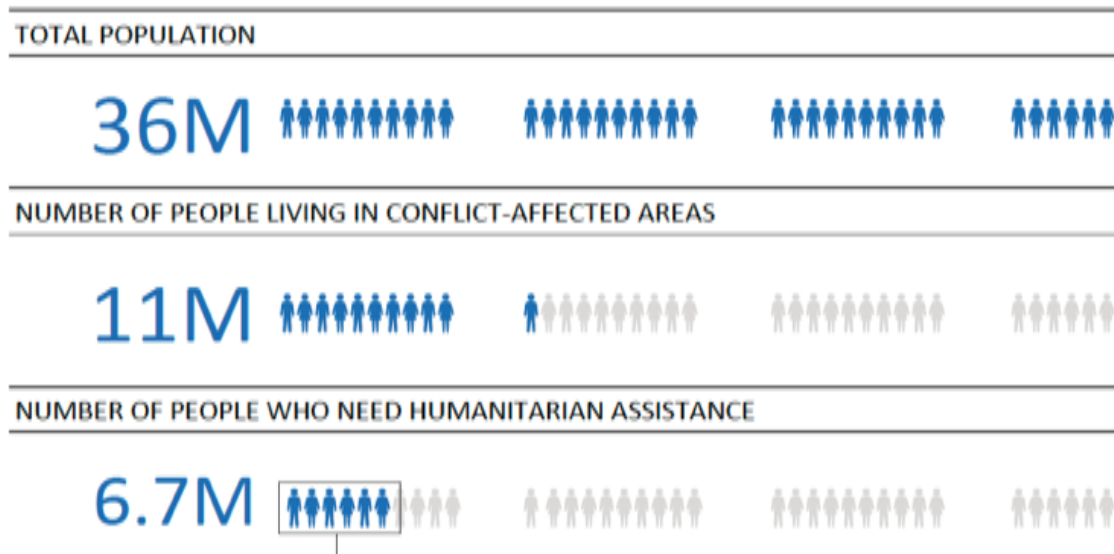


Figure 4. Quality and Coverage of Public Services

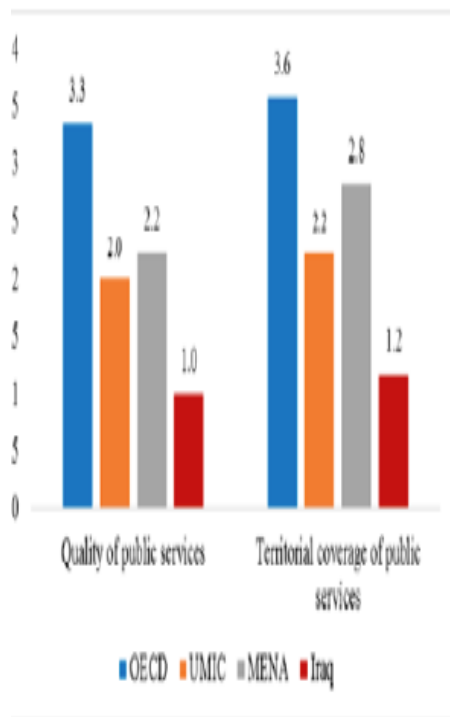


Figure 8. Control of Corruption

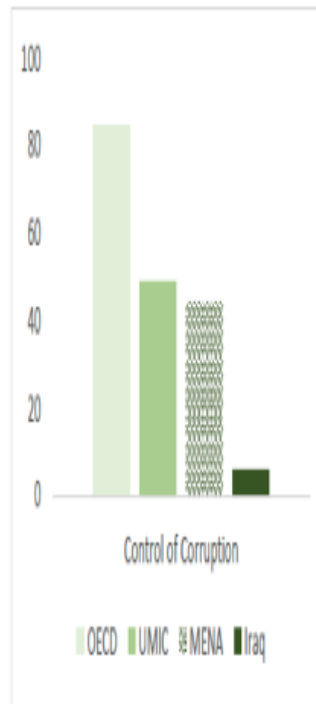
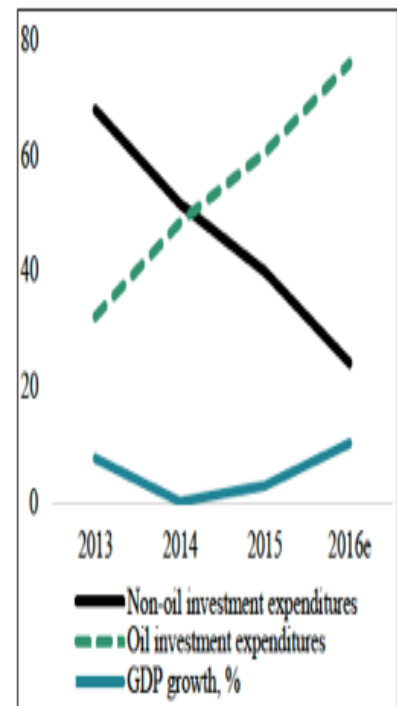


Figure 36. Public Investment, % of GDP



Source: IMF, and World Bank staff estimates.

Source: UN OCHA, 2019 Humanitarian Needs Overview, <https://data2.unhcr.org/en/documents/details/67416>; World Bank, **Iraq - Systematic Country Diagnostic, 2017**

Figure 36: Syria: Human Costs

Over 5.6 million people have fled Syria since 2011, seeking safety in Lebanon, Turkey, Jordan and beyond. Millions more are displaced inside

13.1 million

people in need in Syria

6.6 million

internally displaced persons

2.98 million

people in hard-to-reach and besieged areas

The CIA reports that Syria's economy has deeply deteriorated amid the ongoing conflict that began in 2011, declining by more than 70% from 2010 to 2017.

“The government has struggled to fully address the effects of international sanctions, widespread infrastructure damage, diminished domestic consumption and production, reduced subsidies, and high inflation, which have caused dwindling foreign exchange reserves, rising budget and trade deficits, a decreasing value of the Syrian pound, and falling household purchasing power.

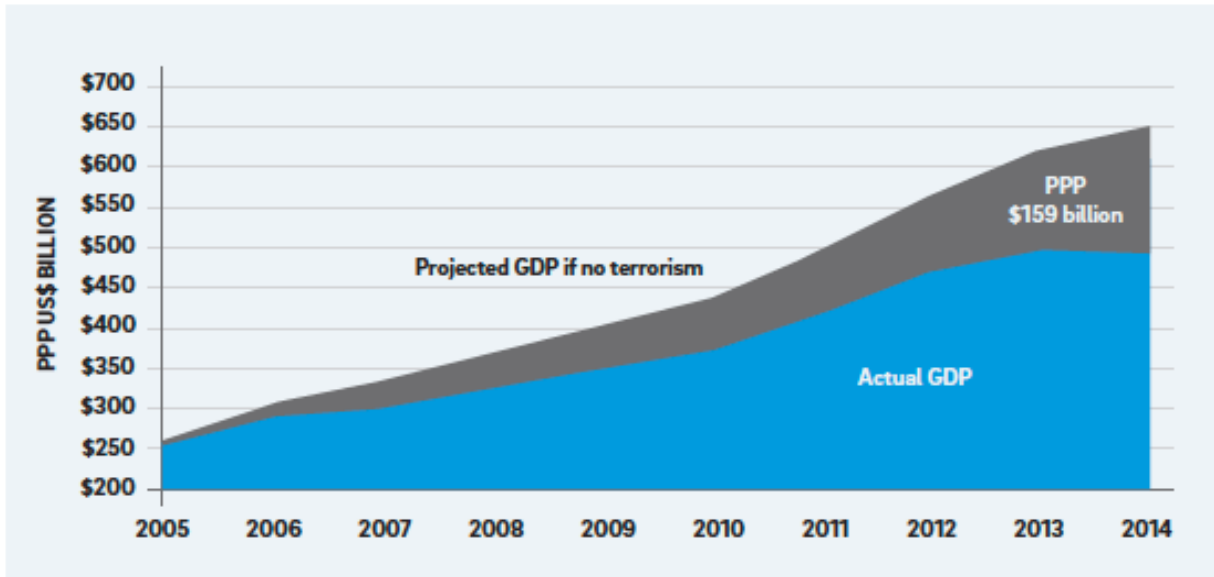
In 2017, some economic indicators began to stabilize, including the exchange rate and inflation, but economic activity remains depressed and GDP almost certainly fell.” It also reports that Syria has the

- 194th lowest per capita income out of 228 countries.
- 50% unemployment, 217th worst of 218 countries.
- Had 82.5 % of its population below the poverty line in 2014.

Source: <https://www.unhcr.org/syria-emergency.html>, 2.1.1i9; CIA *World Factbook*, 2.1.19

Figure 37: The Opportunity Cost of Conflict: Loss of GDP in Iraq & Syria

Figure 8.4a Total accumulated losses in GDP because of terrorism, Iraq, 2005–2014



Source: Institute for Economics and Peace 2015.

Figure 8.4b GDP growth rate 2005–2013 in crisis and continuing scenarios (constant prices 2000), Syria



Source: Mehchy 2015.

Source: UNDP, Arab Human Development Report, 2016, UN, 2016, p. 175

Figure 38: Yemen: World Bank Poverty Warning

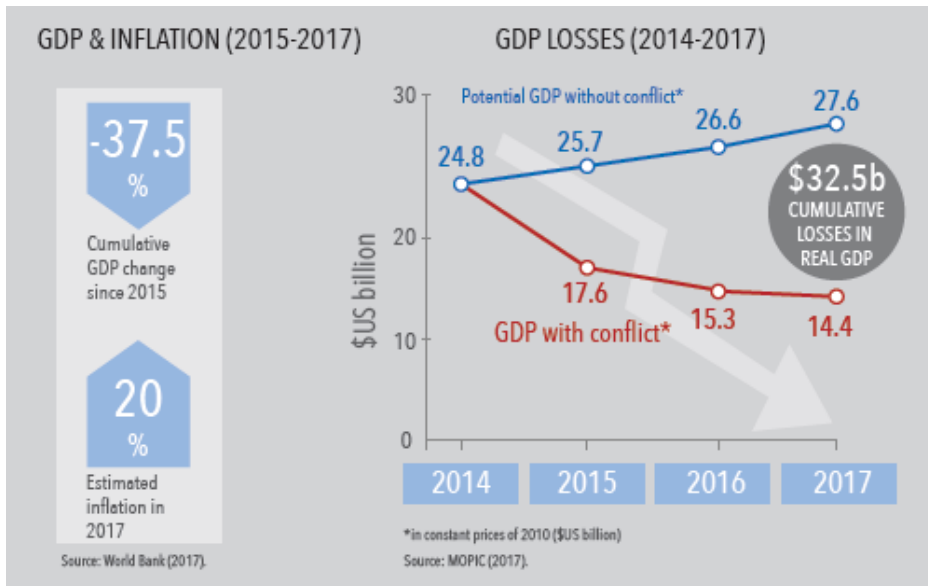
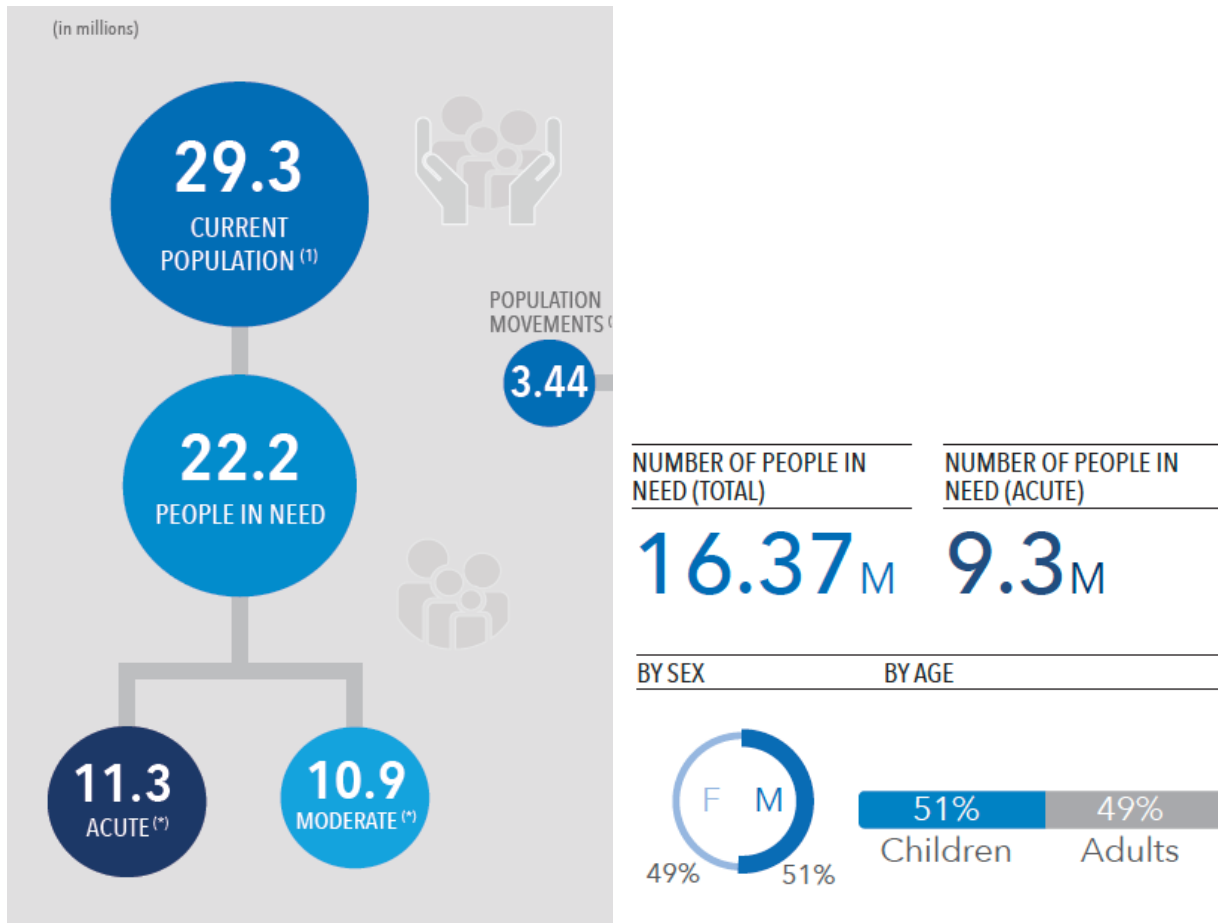
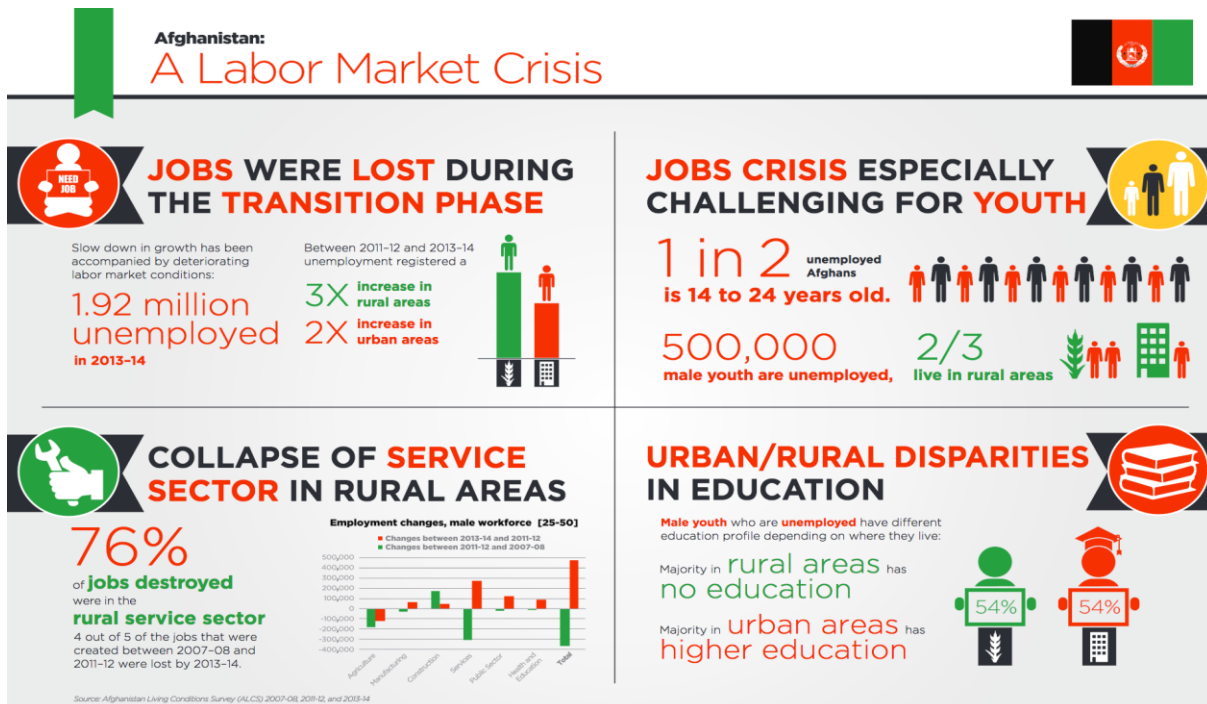
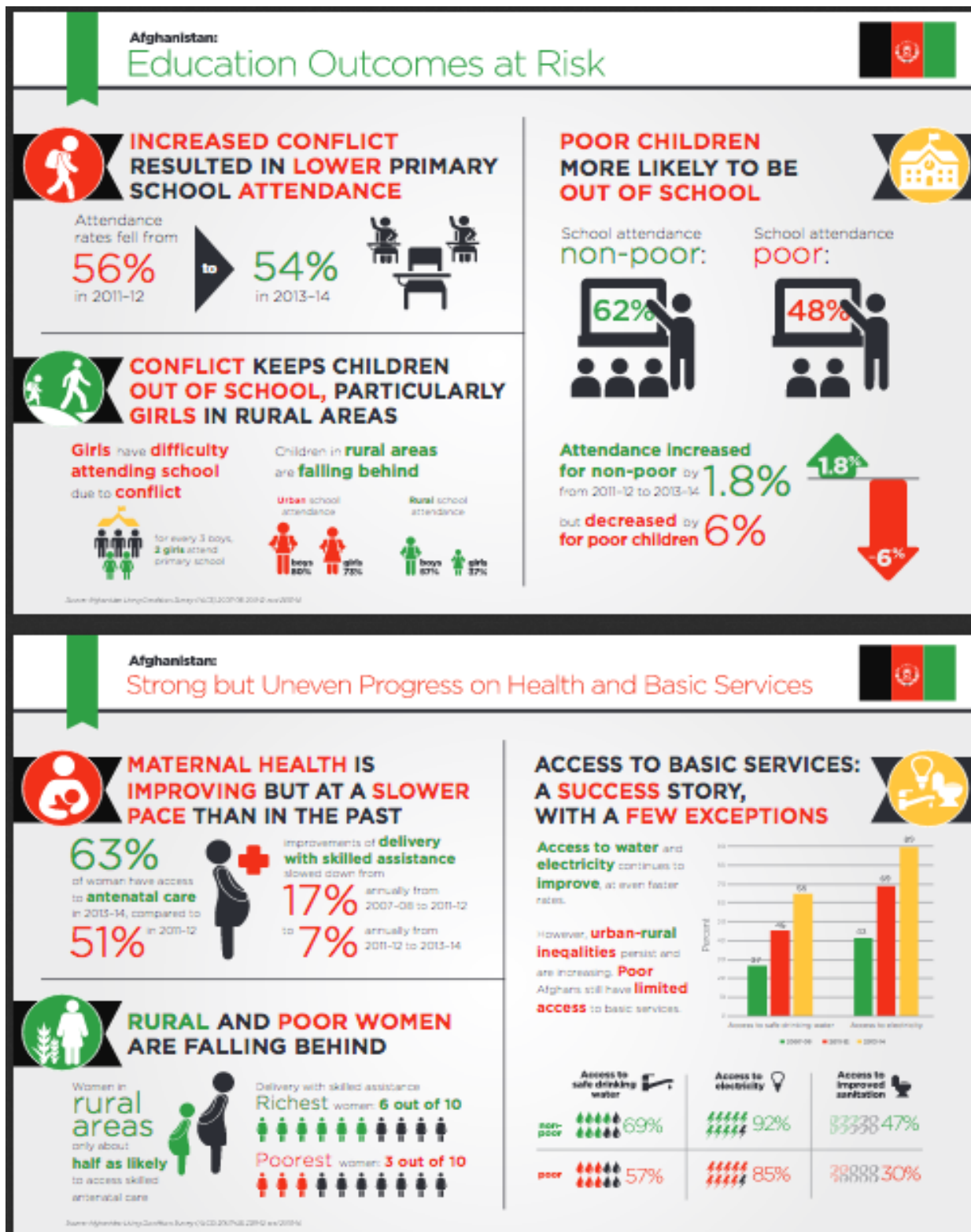


Figure 39: Afghanistan: World Bank Poverty Warning – I



World Bank, Rahimi, Ismail; Redaelli, Silvia, Afghanistan poverty status update: progress at risk (Vol. 2): Infographics (English), May 2, 2017 <http://documents.worldbank.org/curated/en/300161493795316212/Infographics>.

Figure 39: Afghanistan: World Bank Poverty Warning – II



World Bank, Rahimi, Ismail; Redaelli, Silvia, Afghanistan poverty status update: progress at risk (Vol. 2): Infographics (English), May 2, 2017 <http://documents.worldbank.org/curated/en/300161493795316212/Infographics>.

Anthony H. Cordesman holds the Arleigh A. Burke chair in Strategy at the Center for Strategic and International Studies in Washington, D.C. He has served as a consultant on Afghanistan to the United States Department of Defense and the United States Department of State.