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ON THE INTERACTION BETWEEN FEAR AND HATRED

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ABSTRACT

This paper models conflictual interaction between a European state and a domestic dissident immigrant minority group, Muslims say, some of whom may resort to acts of terrorism. Here, identity is crucial and provides the micro-foundations of dissident behaviour by solving the collective action problem; however, complex multiple identities are possible. Militancy or *hatred* of the West arises both because of the economic and social disadvantage experienced by Muslims or horizontal inequalities, as well as historical grievances and contemporary foreign policy actions that discriminate against the Muslim world. The *fear* of visible Muslim minorities among the European host population may be a product of strident propaganda emanating from certain segments of Western society. The innovation of the paper lies in modelling the interaction between fear and hatred. Excessive deterrence against 'dangerous' minority groups may backfire, compared to more accommodative policies. Space needs to be created so that Muslim migrants are able to merge their personal identities within their adopted European homelands. Also, the economic disadvantage experienced by Muslims needs redressing.

Keywords: European Security, Conflict, Terrorism
JEL Classification Numbers: C72, D74, D81, H11.

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1 INTRODUCTION

This paper presents a model of conflict between a European state and a domestic dissident immigrant minority group, such as Muslims. Identity plays a major part in this, and Akerlof and Kranton (2000) suggest that individuals obtain utility from their identity and by making themselves, as well as others in their group, behave in conformity with group norms. But it also has to be borne in mind that individuals often have multiple identities, as emphasised by Sen (2008). It is possible, therefore, to be both Muslim and European and believe in most values that characterise Western humanism. The dislike of resident Muslim minority groups amongst the majority is not only predicated upon real dangers of potential violence from certain Muslim groups, but is also a product of adverse propaganda about them, some of which may be only partially true. Glaeser (2005) models the production of this phenomenon as an outcome of repetitive adverse propaganda, which results in distrust, dislike and in this instance is something that can be labelled 'Islamophobia'. In what follows I define this as *fear*. Segments of the minority group (fundamentalists) may feel hatred for the West. This *hate* is a result of present-day socio-economic injustices against them in the European countries, as well as historical injustices and contemporary foreign policy actions. Dislike of the West manifests itself in a spectrum of activities ranging from innocuous actions such as the expression of disagreement, to making statements of difference via the adoption of dress codes (the wearing of the *hijab* or head scarf, for example) which to some Westerners is an offensive rejection of Western values (and a threat to Western civilization), to acts of vandalism, such as the riots (looting, car burning) in the suburbs of Paris, and finally to the more violent terrorist actions such as the Madrid train bombings of March 2004, or the London bombings of July 2005. The interaction between this fear of Muslims and Muslim hatred for the West may sometimes only produce a disagreeable atmosphere, but at other times it can result in fatal conflict. What transforms this latent danger into violence and terrorism?

There can be two explanations for this. One is the inevitable clash of civilizations, as outlined by Huntington (1996)? Muslim acts of defiance may be a product of their deep sense of historic and present-day humiliation, as pointed out by Lindner (2001). These include historical acts such as the wholesale expulsion of Muslims from Spain (in the 16th and 17th centuries) and from Sicily (14th century), as well as events in the 20th century in the Middle East, where the Anglo-French Sykes-Picot pact¹ (during the First World War) resulted in an unfair disposition of the former Ottoman territories. Later, the emergence of what many regard as a colonial settler state, Israel², and the West's lack of even handed behaviour towards the protagonists in the Arab-Israeli conflict spawned deep resentment. This is often blamed on Western double standards towards the plight of Muslims compared to others. Other perceived areas of Muslim disadvantage in the recent past include the unfair partitioning of undivided India leading to the Kashmir problem. Some Western writers, such as Lewis (2003), also depict Muslims as wallowing in wounded pride about their historical decline, with some filled with a virulent hatred for the West.

¹ The novelist Arthur Koestler described the Balfour declaration in 1917 permitting a Jewish state in Palestine as an act where "one nation solemnly promised to a second nation the country of a third."

² An expression employed by the French writer, Maxime Rodinson.

The problem with culturalist views is that it treats culture as monolithic, and individual identity as a singular phenomenon, ignoring the multiplicity of identities that individuals may possibly possess (Sen, 2008). Thus, it is conceivable to be simultaneously a Muslim, a European citizen, a believer in democracy, as well as someone who respects difference and human rights. Contemporary racism is driven more by dislike of a cultural identity such as Islam, rather than discredited notions about race and colour, as in the past. Racist messages that breed fear of minorities like Muslims can emanate from attention seeking politicians, who campaign on a single issue that scapegoat a particular group for all of society's ills (crime, unemployment and so on). Their ability to influence policy rests with their nuisance value as potential coalition partners and attractiveness to a class of voters, which is greater in smaller European states with electoral systems that have full proportional representation. In other countries (such as France) they have greater influence in local politics. According to surveys³, negative perceptions about Muslims among non-Muslims have grown in Europe: in 2008 52% in Spain, 50% in Germany, 38% in France and 23% in the UK felt negative about Muslims, considering them a threat to Western civilization. Thus, in some European nations it may be relatively less politically incorrect to openly cast unqualified aspersions on Muslim practices and Islam.⁴ The same survey indicates growth in the Muslim sense of identity amongst Muslims immigrants in Europe.

It is widely believed that Islam is an intolerant and violent religion, with its sacred texts full of inflammatory statements about its foes. Unfortunately, these notions are based on selective and limited interpretation. What is much less well known is the tolerant face of Islam, for example the fact that the Islamic religion, through its scripture, the Quran, actually celebrates racial diversity⁵ and requires believers to acknowledge the authority of earlier Abrahamic Prophets.⁶ Some of the sayings of the Prophet Muhammad and his cousin and son-in-law Ali, during Islam's earliest phase are testimony towards inclusiveness of racial groups and Muslim and non-Muslim alike.⁷ Historically, Muslim rulers in Arab Spain and the Ottoman Empire, for

³ <http://pewglobal.org/reports/display.php?ReportID=262>

⁴ In the UK, for example, the virulently anti-Muslim Dutch politician Geert Wilders was prevented from showing his anti-Islam film in the British House of Lords in February 2009 on the grounds that it might incite racial hatred; by contrast, his popularity is said to be on the rise in his native Netherlands.

⁵ "O mankind! Lo! We have created you male and female, and have made you nations and tribes that ye may know one another. Lo! the noblest of you, in the sight of Allah, is the best in conduct". Quran: 049.013. Another verse says: "And of His signs is the creation of the heavens and the earth, and the difference of your languages and colours". Quran: 030.022. English translations of the Quran from Marmaduke Pickthall's, *The Glorious Quran*, <http://www.islam101.com/quran/QTP/index.htm>

⁶ "Say (O Muhammad): We believe in Allah and that which is revealed unto us and that which was revealed unto Abraham and Ishmael and Isaac and Jacob and the tribes, and that which was vouchsafed unto Moses and Jesus and the prophets from their Lord. We make no distinction between any of them, and unto Him we have surrendered". Quran: 003.084

⁷ Consider an excerpt from Muhammad's Last Sermon (circa 632 AD): "O people, Remember that your Lord is One. An Arab has no superiority over a non-Arab, nor a non-Arab superiority over an Arab; also a black person has no superiority over a white person, nor a white person any superiority over a black person, except by piety and good action. Indeed the best among you is the one with the best character. Listen to me. Did I convey this to you properly?" People responded, "Yes. O messenger of God". The Prophet then said, "each one of you who is there must convey this to everyone not present".

http://www.themodernreligion.com/prophet/prophet_lastsermon.htm

Ali, the 4th Islamic Caliph, also the cousin and son-in-law of Muhammad in a letter to Malik-e-Ashtar, his governor designate to Egypt (circa 656-661 AD): "Remember, Malik, that amongst your subjects

example, showed greater tolerance for non-Muslims than their European counterparts did for non-Christians, even Christians of other denominations. The important point is that a devout or practicing Muslim must eschew racism in all forms, and should not hate Judeo-Christian civilization and reject universal values of toleration; rather the dislike of the West could emanate from injustices perpetrated thereof.

Thus, the alternative explanation for disgruntled Muslim behaviour in Europe may lie in wider socio-economic disadvantage. Stewart (2008) has documented the systematic disadvantage that Muslim groups face in European countries and worldwide (Muslims are a fifth or more of humanity). These range from economic discrimination in terms of jobs and lower incomes, to under representation in public life. This phenomenon may be described as the horizontal inequalities that Muslims suffer from in contemporary Europe. Horizontal inequality is group-based inequality, rather than the inequality in an otherwise culturally or ethnically homogenous society; see Stewart (2000) on this. Muslim citizens in Europe are systematically poorer, suffer from greater unemployment and are less than proportionately represented in public life (Stewart, 2008), in addition to the opprobrium their cultural identity attracts.

Thus, some of the more extreme forms of terrorism and even other non-violent acts, which make a statement of difference with the majority community such as the wearing of *hijabs*, may have as their root cause, both the collective sense of injury caused by the sufferings of Muslims globally (such as in Palestine, Iraq or Afghanistan), as well as the more palpable economic, political and social discrimination felt within the European states that they reside in.

In what follows I present a model of a 'clash' between a European state and a domestic dissident group, who, on occasion, resort to acts of terrorism. Here, identity is crucial to the putative terrorist; following Akerlof and Kranton (2000) individuals derive utility from their identity, identity based actions and the relative social standing of their group. This provides the micro-foundations of dissident group behaviour by solving the collective action problem. Following Sen (2008) individuals are allowed multiple (complex) identities; they may not always act in conformity with their primary identity. This is an innovation of the paper, going beyond Akerlof and Kranton (2008). 'Hatred' for the West emanates both from horizontal inequality producing economic factors such as poverty and greater unemployment, as well as exclusion (or less inclusion) in domestic political processes, and 'cultural' factors such as Western foreign policies in the Middle East and elsewhere. Thus, as Sen (2008) suggests, potentially violence producing hate is a product of both economic and cultural factors. Another innovation of the paper is the combination of the hate felt by Muslim fundamentalists with the fear felt by those with strong Islamophobic tendencies. This fear can be said to be the result, in part, of fear producing messages about the dangers posed by Muslims that are at least partially untrue (Glaeser, 2005).

there are two kinds of people: those who have the same religion as you have; they are brothers to you, and those who have religions other than that of yours, they are human beings like you. Men of either category suffer from the same weaknesses and disabilities that human beings are inclined to, they commit sins, indulge in vices either intentionally or foolishly and unintentionally without realizing the enormity of their deeds. Let your mercy and compassion come to their rescue and help in the same way and to the same extent that you expect Allah to show mercy and forgiveness to you." (Nahjul Balagha) <http://www.al-islam.org/nahjul/letters/letter53.htm#letter53>.

2 FEAR AND HATRED

2.1 Government (G):

The utility of the state or the majority group is given by:

$$G = \pi(a, e)G^P + (1 - \pi)(\cdot)G^C - C(a) \quad (1)$$

where:

$$\begin{aligned} G^P &= Y^G + A \dots \text{where } A = pF^G(A, \mu) - T(A) \\ G^C &= Y^G + A \dots \text{where } A = cF^G(A, \mu) - T(A) \\ a &= \frac{T(A)}{F^G(A, \mu)} \end{aligned} \quad (2)$$

$$c > p > 0, c + p = 1, \pi_{a,e} > 0.$$

The superscripts P and C refer to states which are more peaceful and confrontative, respectively. G^P and G^C correspond to budget constraints in the two states. For the government⁸, utility is derived from two public goods: general consumption (Y^G) and security expenditure (A). The latter can be used in two ways: a component (F^G) devoted to suppressing dissidents (via policing, surveillance and the prohibition of certain practices), and another element T , which is a transfer to the dissident group, which serves to assuage their grievances. The transfer can mean several things: increased (broad-based) public expenditure, greater inclusion in public sector jobs, political representation and voice in the decision making process. Generally speaking, it is the pecuniary value of including the excluded. Observe that there is a trade-off between suppression (stick) and transfers (carrot). Note that strategies for both government (a) and dissidents (e) are in terms of peaceful behaviour, which is the inverse of conflict, so a, e raise the probability of peace, π . C refers to the cost of undertaking a by the state, $C_a > 0$. These costs consist of pecuniary and non-pecuniary elements; the first because of the cost of distortionary taxation to finance security, the latter because accommodating dissidents entails a political cost by alienating those opposed to the policies adopted. Violent acts occur in the confrontative state, and the Nash equilibrium to the game between the two sides occurs along a continuum of peaceful actions by both sides. Equilibria with low levels of peace chosen by both sides are confrontative, enhancing the risk of rioting and terrorism by the dissidents.

The parameter μ represents policies adopted by the government side towards certain minority groups, such as ‘radical’ Muslims. A higher μ implies a more confrontative majority that is less inclusive towards certain minorities and more resolved to combat their dissidence, so in a way it is similar to military efficiency (force multiplier) modelled in Hirshleifer (1995). Its origins are, however, different, because it is a result of fictional or exaggerated hate producing messages in the media, fed in by some politicians (Glaeser, 2005).

⁸ Equation (1) represents the preferences of a median voter, or the outcome of a policy compromise.

Furthermore, μ measures the *sum* of the signal sent to individuals in European society regarding the potential damage that could be inflicted by Muslim migrants living in their midst; it also incorporates personal costs of damage limitation (avoiding contacts with Muslims at work and by moving to other neighbourhoods).⁹ Let us say this signal is sent out by a politician, whose credibility is in doubt because he may be deliberately sending out a false hate message as a cheap way of advancing his own popularity. Its attractiveness to the public will depend on their need for scapegoats and their own personal life experiences of these minority groups. Not all these signals will be believed: for example, some hate mongering politicians may be mistrusted, the better educated among the public may discount part of the message and others with greater knowledge of the minorities based upon personal interaction may similarly disregard this signal.¹⁰ There is a cost (z) to members of the public of verifying the veracity of the signal through a search process. Let φ be the probability that the politician is sending out a false message and the Muslim group in question is largely innocent; $1 - \varphi$ is the probability that they are not, and will therefore impose a net cost μ . An individual's Bayesian prior for this is determined in the following manner:

$$\frac{\varphi}{\varphi + (1 - \varphi)\mu} \quad (3)$$

The prior may be updated subject to the aforementioned search cost z , and other exogenous events like riots and acts of terrorism (close to home) perpetrated by Muslims. The public is composed of two types: a high cost type (indexed by subscript h) who both suffer more potential damage (μ) and also have higher search costs (z); and, a low cost type (subscript l) who will suffer less from Muslims and have lower search costs of finding out the truth. The former may include the less educated, the more socio-economically disadvantaged, those who would like to find close to home scapegoats for the risk of unemployment that the globalization of production brings, others who wish to find a simple explanation for the rise of crime, as well as those with an experience of negative interactions with Muslims. In general:

$$\begin{aligned} V_i &= y_i - \mu_i(z)(1 - \varphi) - z(i) \dots i = h, l \\ \Rightarrow \mu_{hz}(1 - \varphi) &> z_h \\ \text{and } \mu_{lz}(1 - \varphi) &< z_l \end{aligned} \quad (4)$$

Where V represents expected utility and y income of individuals of $i = h, l$ types. Maximization of this expected utility with respect to search (z) leads to the conditions described in the second and third lines of (4) respectively. The high cost type of individual suffers both a greater loss from Muslim dissidents (μ_h) and has a higher cost of verification of the signal (z_h). This is all the more so, if the search costs of verifying the signal entail a lumpy fixed cost. These individuals are more likely to abandon the costly search for truth in favour of the hate message. Not only that, but they will clamour for public action against the object of their phobia. Even the low cost type individual (who will engage in the search for truth) may at certain times randomise the probability of φ around 0 or 1, if say equilibrium $\varphi \approx 1/2$ in (3), when

⁹ Despite a seeming similarity, the analysis here differs from the traditional economics of discrimination literature (Becker, 1971).

¹⁰ The PEW world surveys indicate that dislike of Muslims in Europe is greater among the older and less educated segments of the population; <http://pewglobal.org/reports/display.php?ReportID=262>.

the search process itself is flawed (involving learning over multiple periods, say). Also, after major riots involving (male) Muslim youths and terrorist attacks like the London bombings, all individuals from the majority community may set φ to zero for a certain time, effectively tarring all Muslims with the same (terrorist) brush.

If enough citizens or voters believe the signal then public action will be called for, and Islamophobia or fear of Muslims acquires the nature of a public good. Note that $\sum_i \mu_i = \mu$ in equations (1) and (2). The state will be compelled to act at the taxpayers expense (C), but some individuals within the government machinery may have reservations about totally surrendering to Islamophobia. It is instructive, therefore, to examine the government's strategic variable. Totally differentiating, a , the government's strategic choice variable in (2):

$$da = \left[\frac{T_A}{F^G} - \frac{T(\bullet)}{F^{G^2}_A} \right] dA - \frac{T(\bullet)}{F^{G^2}_\mu} d\mu \quad (5)$$

All the partial derivatives in (5) are positive. The security budget (A) can be utilised either to increase transfers to the dissidents or fight them. Therein lies a trade-off; thus the term in square brackets in (5) is ambiguous in sign. The second term on the right-hand side of (5) is negative, because a rise in the confrontativeness of the state or majority (μ) causes it to be less 'peaceful'. For a certain type of government, the first term is positive; it prefers peace.¹¹ I utilise this taxonomy, because there may be different expenditure effects following an increase in the security budget depending on the type of government in different countries (or even the same government at different time periods).

The government side maximizes (1) with respect to a :

$$\pi_a [G^P(\cdot) - G^C(\cdot)] = C_a \quad (6)$$

Essentially, this means that the government equates the marginal utility of its strategic action (a) on the left-hand side of (6) to its marginal cost on the right-hand side.

2.2 Dissident Minorities (R):

We need to distinguish between individual motivation to behave in accordance with a dissident group, and the alienated group dynamics leading to a clash with the state.

As far as individuals are concerned, following Akerlof and Kranton (2000), I postulate that individuals *directly* obtain utility from their identity, and the behaviour demanded by that sense of belonging. Thus, an individual member (r) of a potential minority group (say, Muslims in Europe) derives utility (U_r) from identity related

¹¹ Good examples could be given by contrasting the present Spanish and Danish governments. The latter's (or some of its coalition partners) negative attitudes and explicit policies towards Muslims is well known; see http://www.euro-islam.info/country-profiles/denmark/#identifier_73_465. By contrast the Spanish government led by Prime Minister Zapatero is far more conciliatory towards Muslims, including illegal Muslim migrants, and Zapatero called for an international alliance of civilizations; see <http://www.unaoc.org/content/view/328/251/lang.english/>

actions in the following manner (other arguments of the utility function such as consumption are ignored):

$$U_r = U_s(s_r, s_j, I_r) + U_o(k_r) \dots j \neq r$$

where

$$I_r = I_r(s_r, s_j, \theta)$$
(7)

Here the parameter s refers to self-identity or principal identity based actions, and utility (U_o) from other identity based actions, k_r . These two enter individual utility in an additive and separable fashion. An individual, therefore, is allowed to have a complex multiple identity (Sen, 2008), and corresponding to these are additive separable actions or inputs into his utility function, which is an innovation of the model. The individual not only derives utility from a vector of his own actions (s_r), but also similar actions of other like-minded individuals belonging to his group (s_j), and above all his own identity or self image (I_r), which in turn depends on the actions (s_r, s_j) just described, as well as the inverse of the group's social standing, θ . As indicated earlier, this depends both on the group's perceived economic horizontal inequalities, and other factors such as the West's foreign policy towards the Muslim world. As defined, the higher is θ , the lower is the group's social standing, which as indicated earlier may be worse in some European countries (Denmark, Netherlands) than others (the UK). Thus an increase in θ is a reduction of social standing, but it will enhance utility from own-identity based actions. It could be argued, however, that low social standing may encourage individuals to abandon their primary identity in favour of other more approved of identities. Following Akerlof and Kranton (2000), it is possible to show that many such individuals may be deterred from this course of action by their peers, even if injury to their group sense of self-esteem is insufficient to make them act in accordance with their primary identity.

The budget constraint describing input or actions to individual utility takes on the following form (where S_r refers to the total endowment of possible actions):

$$S_r \leq s_r(\mu, \theta) + k_o$$
(8)

It is postulated that the attractiveness of inputs into own-identity type behaviour (s_r) rises with μ and θ ; an increase in both can be described as a fall in the relative price of own-identity based actions relative to other-identity based actions (k_r).¹²

Following Akerlof and Kranton (2000) it is also possible to show that individuals derive disutility from the non-conformity of other group members, who do not act or behave in an appropriate manner; see also Gates (2002) on rebel recruitment and retention. Secondly, if the costs of so-doing are sufficiently low compared to the pain inflicted on errant members, individuals of a group will exert effort to bring back members who have strayed from ideal group behaviour back to the fold, as analysed by Akerlof and Kranton (2005). Such behaviour can also be said to describe the strategies adopted by conflict entrepreneurs amongst Muslim minority groups who are bent on confrontation. If another group member (j) suffers disutility (I_j) from other-

¹² These could include actions which conform more to the spirit of the law of the land, and other actions that might be considered by some to be at variance with the individual's principal identity.

identity based behaviour (k_r) by person r , who is also close to him, they may lure the errant individual back to the fold provided that the cost of doing so to themselves (c_j) is not too large and is less than the loss inflicted (l_r) on the deviant group member. Typically, remonstrating with someone who has made a conscious decision to act 'differently' is not without pain to either remonstrant or errant:

$$c_j < I_j < l_r \quad (9)$$

The condition above is more likely to hold amongst poor but culturally homogenous communities suffering from widespread unemployment, and who live proximately to each other in isolated ghettos with close kinship ties (as in many metropolitan locations throughout Europe where Muslim families related to each other live cheek by jowl in sub-standard housing). This is also typical of the horizontal inequalities faced by many Muslim groups in Europe. Moreover, the dissident group may use the behaviour denoted in (9) to solve the collective action problem, as described by Olson (1965). Thus, group grievances become individual grievances, and individuals act upon their group grievances. This, at the extreme, can include terrorist acts, which are acts of solidarity with the cause as described by Wintrobe (2002). An act of solidarity is an all or nothing choice (corner solution) between individual autonomy and solidarity with the group's cause.¹³ Dissident group behaviour is arrived at after summing the choices regarding s_r from individual utility maximization described in (7) above subject to individual constraints in (8):

$$\sum_{r=1}^n s_r \quad (10)$$

For collective action to take place via the adoption of the group strategy (e)¹⁴, a critical threshold of aggregate own-identity based actions, $\sum s_r$, must be chosen. This requires high enough values of μ and θ ; condition (9) must also hold, it should not be too costly to deter non-own-identity based actions by individuals except that at high enough values of μ and θ condition (9) becomes more relaxed, as more self-enforcing own-identity based behaviour takes place via (8). The dissident *group*, objective or utility function, R , takes the following form:

$$R = \pi(a, e)R^P + (1 - \pi)(\cdot)R^C - E(e) \quad (11)$$

where:

$$\begin{aligned} R^P &= T(A) + pF^R(\mu, \theta) \\ R^C &= T(A) + cF^R(\mu, \theta); F^R_{\theta}, F^R_{\mu} > 0 \\ e &= \frac{T(A)}{F^R(\mu, \theta)} \end{aligned} \quad (12)$$

¹³ In Wintrobe (2002), individual indifference curves representing the trade-off between autonomy and solidarity are concave, with corner solutions; small shifts in the budget line as a result of more 'containing' policies by the state do not shift this all or nothing equilibrium choice of extreme solidarity with the cause.

¹⁴ Not all group actions are violent; an increase in e indicates more peaceful behaviour, the risk of violence increases with declining e .

R^P and R^C describe dissident group endowments for collective action, which can involve absorbing the transfer (T) or ‘fighting’ (F^R) the state. This choice surrounds e (effort with regard to peace with the state); E describes the aggregate cost function for undertaking e , composed of psychic costs of ‘capitulation’ to the state or the total losses and costs of inducing own-identity based behaviour in (9), with $E_e > 0$. F^R represents direct action against the state. As already indicated, θ denotes the alienated group’s historical hatreds and the lack of contemporary social standing based also on economic horizontal inequalities.

Differentiating the dissident group’s strategic variable (e) in (12) we find:

$$de = \frac{T_A}{F^R(\mu, \theta)} dA - \frac{T(\bullet)}{F_\theta^{R2}} d\theta - \frac{T(\bullet)}{F_\mu^{R2}} d\mu \quad (13)$$

The first term on the right-hand side of (13) is positive, e rises with T , but falls with θ and μ . In other words, transfers from the state raise peaceful behaviour; economic disadvantage, a loss in social standing and government proscription increases radicalization or decreases peaceful behaviour by the dissidents towards the state.

The disgruntled group will maximise (11) with respect to e :

$$\pi_e [R^P(\cdot) - R^C(\cdot)] = E_e \quad (14)$$

Thus, they equate the marginal benefit of its action (e) to its marginal cost.

2.4 Reaction functions

In order to analyse variations in parameters we first need to obtain a set of reaction functions in (a, e) space to capture government-dissident interaction. Equations (6) and (14) form the basis of the reaction functions for the government and the dissidents, obtained by totally differentiating them with respect to a and e . Thus:

$$\frac{de}{da / R^G} = \frac{C_{aa} + \pi_{aa} [G^C(\cdot) - G^P(\cdot)]}{\pi_{ae} [G^P(\cdot) - G^C(\cdot)]} \begin{matrix} \geq \\ \leq \end{matrix} 0 \text{ if } \pi_{ae} \begin{matrix} \geq \\ \leq \end{matrix} 0 \quad (15)$$

and

$$\frac{de}{da / R^R} = \frac{\pi_{ae} [R^P(\cdot) - R^C(\cdot)]}{E_{ee} + \pi_{ee} [R^C(\cdot) - R^P(\cdot)]} \begin{matrix} \geq \\ \leq \end{matrix} 0 \text{ if } \pi_{ae} \begin{matrix} \geq \\ \leq \end{matrix} 0 \quad (16)$$

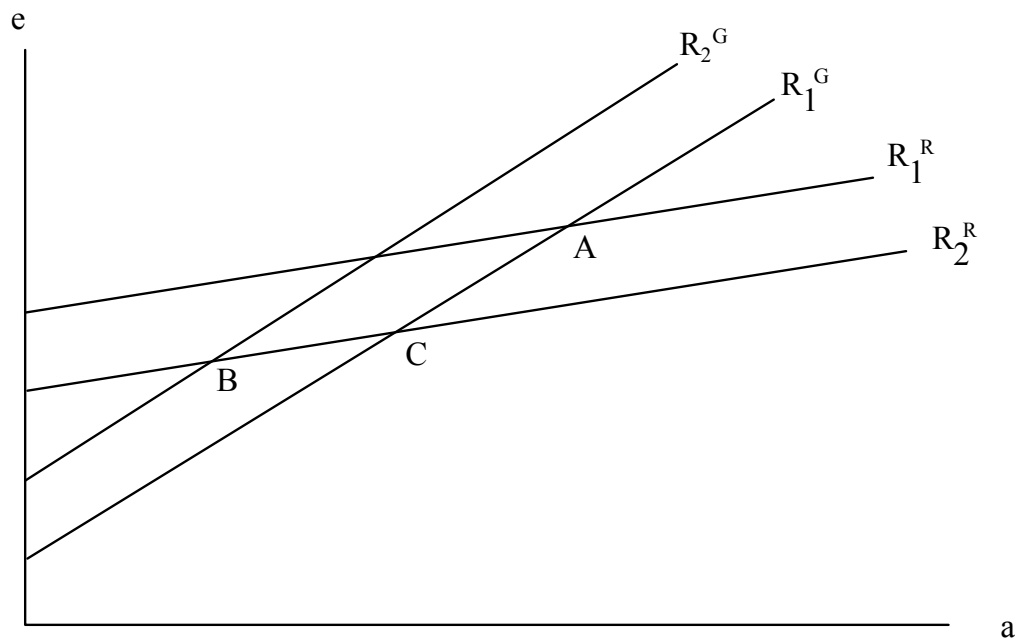
Note that $\pi_{ae} = \pi_{ea}$ by symmetry. Also even though $\pi_a, \pi_e > 0$, $\pi_{aa}, \pi_{ee} < 0$, meaning there are diminishing returns to peaceful behaviour. $C_{aa}, E_{ee} > 0$, $R^P > R^C$, $G^P > G^C$.

We assume that the two strategies are complements, $\pi_{ae} > 0$. In other words more peaceful action by one side leads to the same by the other. The reaction functions will be positively sloped in Figure 1.

2.5 An increase in government militancy (a rise in μ):

An increase in government militancy (a rise in μ) may result from an increase in the vote bank of populist political parties that are more confrontative, as the result of an increase in the supply of repetitive hate-creating stories by politicians (Glaeser, 2005) culminating in heavy handed policies such as laws banning head scarves, tighter immigration rules from certain countries, as well as a whole host of involuntary integrationist policies. In Figure 1 the reaction function of the government R_1^G shifts leftwards to R_2^G , as there is less incentive to be peaceful (a) for each level of e , see equations (1)-(5). A similar line of reasoning applies to the dissidents, (equations (7)-(9)), and their reaction functions shift down from R_1^R to R_2^R . The new equilibrium will have shifted from A to point B in Figure 1 with a decline in both a and e , peaceful behaviour by both sides to this quarrel, but a greater decline in a relative to e . The dissident group's stock of collective action, given from (7)-(9), has increased because the private relative price and marginal cost of own-identity based actions has fallen, and these are now more attractive.

Figure 1: Strategic Interaction Between the Government and Dissidents



2.6 A Rise in Radicalization or the Intrinsic Motivation to Fight the State (θ)

An increase in the intrinsic motivation to fight the state by the dissidents can arise because of two sets of reasons. One is a the widening of economic, political and social horizontal inequalities that disadvantage Muslims in European countries as discussed by Stewart (2008), or a gradual reaction to laws that discriminate against Muslims (such as head scarf bans initiated by the state). The second relates to world events, such as the invasion and occupation of Iraq and Afghanistan, and the situations in Palestine or Kashmir, that add to the collective Muslim stock of grievances. For example, the recent Israeli military operations in Gaza, and the perceived Western support for this incursion, which many regard as a disproportionate reaction to Hamas' activities, can only serve to increase resentment among Muslims. Either way,

the dissident reaction function will shift down in Figure 1 indicating less e , and more fighting against the state at point C, for the reasons outlined above.

2.7 External Finance for Dissident Groups

Several radical Muslim groups have alleged connections to global terrorist networks like Al-Qaida, and are said to receive finance and technical support from them. This, arguably, has mostly an effect on their operations or costs, not their intrinsic motivation. We may re-write the dissident objective function in (11) as:

$$R = \pi(a, e)R^P + (1 - \pi)(\cdot)R^C - \tau E(e) \quad (17)$$

Where τ represents a cost shift parameter, increases in τ indicate a rise in the cost of strategic action. The first-order condition for optimal action (e) by the dissidents when τ rises, as a result of external assistance is (note that the assistance is conditional on *reducing* peaceful actions, e):

$$\pi_e [R^P(\cdot) - R^C(\cdot)] = d\tau E_e \quad (18)$$

Thus the marginal cost of peaceful behaviour, on the right-hand side of (18) has increased, more confrontation is chosen by the dissident group. Qualitatively, a movement from point A to C in figure 1 is applicable, with a shift in the dissident reaction function indicating less e for every level of a chosen by the state.

3 CONCLUSIONS

Regarding the potential dangers of the interaction between fear and hatred, if points such as A in figure 1 may be described as uneasy, points such as B and C with less peaceful behaviour are certainly more precarious with a simmering risk of riotous behaviour and terrorism.

I would like to conclude by first arguing that Islamic fundamentalism (hate in this paper) feeds on the West's historical and present rejection of Islam in its struggle to achieve parity with western Christianity as an equally important world religion, as well as the present-day real and perceived maltreatment of Muslims and Muslim causes. I do not believe its distaste for the West is based on primordial hatred; nor is it the case that the primordial 'fundamentalist' objective is the obliteration of Western values from the planet.¹⁵ Rather, it is a political movement with political solutions. The various sources quoted in the introduction also point to a more tolerant and inclusive side of Islam, which may more widely re-surface given the right conditions. The amelioration of objective injustices and glaring double-standards when it comes to the Muslim world, apologies for historical injustices committed by the West, and of course *economic progress* by Muslims in Europe will take the wind out of the sails of fundamentalism. In this connection, it is interesting to note that explicitly religious parties rarely get more than a fifth of the vote in democratic Muslim countries. One of the enduring lessons of history is that economic development and prosperity modifies culture, religious beliefs and practices.

¹⁵ As stated, for example, by the former British Prime Minister Tony Blair in an address at Georgetown University, Washington D.C, on 26th May 2006.

As far as the policy implications are concerned, first excessive deterrence against potential dissidents may backfire, a point also made in Addison and Murshed (2005). This is because it produces more militancy and swells the ranks of the disaffected, and increases the danger of both vandalism and terrorist violence. Secondly, space needs to be created so that most Muslim migrants are able to merge their personal identities within their adopted European homelands. This includes developing a personal imperative to be tolerant of difference. This will serve to increase the costs of admonishing other group members for adopting behaviour in conformity with the 'other-identities' that make up their complex personal identity. Policies that make it difficult to be both European and Muslim are bound to be self-defeating, and voice needs to be given to a wider range of Muslims, not just the Salman Rushdies and Hirsi Ayan Alis of Europe. Many of the perpetrators of the London bombings were well integrated second generation immigrants before becoming radicalized. Thirdly, economic discrimination, the horizontal inequalities faced by Muslims in Europe, needs addressing. As Tadjoeeddin and Murshed (2007) point out routine violence in Java, Indonesia (akin to the vandalism perpetrated by Muslim rioters in Europe) ultimately declines with socio-economic progress. Economic progress will reduce the power of the ghetto by permitting exit from the ghetto; allowing individual Muslims to act more on the basis of their 'other' identities, and raise the costs of luring them back into 'distasteful' and dubious own identity based violence like rioting or terrorism. Protest is ultimately motivated by exclusion. Finally, democracy provides no panacea against the rise to prominence and electoral success of rabble-rousing nationalistic demagogues of various types, as Aristotle presciently pointed out in his *Politics* more than 2300 years ago. The message being that democracy, without effective checks and balances, risks producing conflict and crises. A well-ordered decent society may be one that is tolerant of difference; one that is at peace with itself and others in the sense described by Rawls (1999); but even affluent advanced Western democracies have still some distance to cover before achieving this ideal.

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