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ICT Spotlight

Dr. Yossi Mann, Senior Researcher, Head of the Terrorism and Economics Desk at the International Institute for Counter-Terrorism (ICT)

An interview on the impact of the global economy on international terrorism

2001-2004

Dissertation at Bar-Ilan University. The central argument of the study was that cultural differences within Saudi Arabia were the cause of internal tensions in the country.

2003-2008

Lecturer at Bar-Ilan University on the subject of society, politics and economics in Saudi Arabia.

2008-2009

Moved to Poland to **intern at the Universities of Gdansk and Szczecin** to examine Poland's potential to become a leading biofuel market in the European Union.

2009-2010

Post-doctoral research at Oxford University on the Middle East oil market. At the same time, he worked as an **analyst at a commodities company in the crude oil market.**

2015

Head of the Department of Middle Eastern Studies at Bar-Ilan University.

2013-2018

advisor to the government ministries on oil and the Middle East economy.



In 2018, Dr. Mann was appointed Head of the Middle East division at the Lauder School of Government, Diplomacy and Strategy at IDC Herzliya, and Head of the Terrorism and Economics Desk at the ICT.

When discussing terrorism, we tend to address terrorism financing. However, terrorism and economics, the new desk headed by Yossi at the International Institute for Counter-Terrorism (ICT), does not receive sufficient attention. The Desk will, therefore, deal with the impact of the global economy on global terrorism as a basis for formulating additional ways of coping with terrorist threats.

When we imagine terrorist organizations, an image of people carrying a Kalashnikov emerges. But this is no longer the case. Today, these organizations also include people dressed in suits who fill various roles, especially in areas that strengthen the organization, including: computers, economics, private businesses, and international crime.

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Hezbollah, for example, is a terrorist organization that has a great influence on the Lebanese economy. It is a player in the construction market, and takes an active part in tourism, ports and more. In this framework, it pays money to contractors, managers and accountants who handle its economic infrastructure. At the same time, it is influenced by economic developments taking place in the world, such as variable interest rates, exchange rates or global slowdowns, which the Desk seeks to examine.

The funds transferred to the organization are earmarked for two purposes: to finance terrorism and to create legitimacy for the organization in Lebanon: welfare infrastructures, schools and more.

The Islamic State is another economic terrorist organization that, until its fall, influenced the global oil market - it produced between 80,000-100,000 barrels of oil per day. As a result, it influenced and was influenced by international economic developments. For example, an increase in global oil prices created greater profits for the organization.

The economic aspect even has a conscious influence on the international community - no harsh sanctions are imposed on a terrorist organization when it comes to a product like oil. The Kurds, for instance, did business with the Islamic State. Therefore, it can be assumed that if hermetic

sanctions cannot be imposed on a terrorist organization, it will certainly be impossible to impose them on a country like Iran. In addition, this demonstrates that these terrorist organizations have members among their ranks who understand the relevant industry, including finance personnel.

The following issues of importance to the interface between terrorism and economics will be discussed in a series of articles on the ICT website:

- **Ports in Lebanon** - as a tool for generating legitimate profits for Hezbollah. Lebanon's ports are a dramatic factor in the country's economy. These are large ports, with large cargo ships that carry valuable goods (while Syrian ports are no longer attractive). The same entity that controls the ports, therefore, controls the money and various Lebanese communities compete with one another for control.
- **Use of virtual currency** – as a tool that reduces Islamic legal challenges since it is less subject to interest.
- **Islamic economics** - is developing greatly as a legitimate economy, and the question is whether terrorist organizations will know how to exploit it and whether it will cause a change in their cash flow (such as Hezbollah, Hamas, the Islamic Movement in Israel, and others). In Islam, money is perceived as corrupting. Therefore, the role of Islamic economics is to resolve the gaps in practice and enable social justice. These banks behave like ordinary banks around the world that deal with economic issues, such as interest (which is forbidden by Islam) - those who take a mortgage, for example, must pay interest. The solution they found to bridge the gap between Islamic law and practice is to express the interest in the mortgage in advance. There is an Islamic Board of Directors in every Islamic bank or division, made up of Islamic legal experts who understand finance and make economic decisions. For instance, they will not accept a "taking a cut" for shareholders, since this is perceived as an unjustified payment to impose on the bank's clientele. They also discuss whether the bank can invest in companies that sell non-halal meat, and more. The same banks roll out close to six trillion dollars. (It should be noted that the largest banks in the world, such as Morgan Stanley, Goldman Sachs and Credit Suisse, are also examining the possibility of establishing an Islamic division). In our assessment, state terrorist organizations may be inspired by these banks and establish infrastructures that will expand their hold on the ground as well as bring them into the global banking system.

The Terrorism and Economics Desk, therefore, helps to understand the interface between the economic arena and international economic developments, and the terrorism arena. Terrorist organizations' recognition of the importance of the global market, and their status as one of the players in it, requires an understanding of the constraints, status and influence of these organizations, and how they are affected by the market. Thus, it is possible to try and deal with them using new tools that did not exist until now.