

How Does Terrorism Impact Foreign Direct Investment?

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IST 470

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April 24th, 2019

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Abstract

This research question explores the impact of terrorism mechanisms on foreign direct investment. The mechanisms of terrorism that I focused on were transnational, domestic and political terrorism. My research explains how different types of terrorism impact the longevity of Foreign Direct Investment and how these investment strategies can inhibit risk of terrorism in the investment country. This research was conducted through the comparative case study analysis of Spain, Greece and Israel, for me these countries were important due to being able to control of government type and relative geographic location. My conclusions found my overall hypotheses to be relatively invalid and inconclusive indicators of the impact of terrorism on foreign direct investment.

How Does Terrorism Impact Foreign Direct Investment?

Introduction

Beginning with globalization and later industrialization, it is becoming ever so easy for the world to be intertwined and tangled. Progressions in transportation and the evolution of technology has allowed interactions between countries to increase exponentially both in person and virtually. All of these reasons are ways that transnational terrorism has been facilitated over time. Transnational terrorism is “the threat or use of violence for political purposes when (1) such action is intended to influence the attitudes and behavior of a target group wider than its immediate victims, and (2) its ramifications transcend national boundaries. Such action when carried out by basically autonomous non-state actors, whether or not they enjoy some degree of support from sympathetic states” (CIA). Since 1967 an uprising in transnational terrorism has been witnessed and characterized as a substantial increase in the number of terrorist groups involved as well as in the number of countries in which they are operating; a trend toward greater international contact and cooperation among terrorist groups; a trend toward bolder and more dramatic actions; the general popularity of American targets; and a number of significant regional differences in the intensity and nature of such violence (CIA).

As the ramifications and intentions of transnational terrorists begin to unfold, it is inherently important that it is recognized that an increase in communication and collaboration between state, and non-state actors is influential through the spread of information and an increase in international contact. This paper is going to delve into the relationship between

How Does Terrorism Impact Foreign Direct Investment?

transnational terrorism and foreign direct investment to understand whether there is a causal relationship and if so, why is it developed. First, Foreign Direct Investment is simply defined as the ownership or production facilities in a foreign country. However, that is not enough to be classified as a foreign direct investment and furthermore, the investor holds ten-percent of a local company, this investment is not limited to manufacturing, but also through services, agriculture or joint venture. Countries that have access to skilled labor at low wages, a large local market, abundance of natural resources, low taxes, agglomeration (large cluster of companies that produce related goods and services) and financing are highly desirable to foreign direct investors. Even so, not all of these characteristics need to be present for Foreign Direct Investment to be successful, and all countries are susceptible to investments not limited to developing states. Naturally, it is easy to see that Foreign Direct Investment is taking profits from a business for their own economic gain and usually this investment is larger than ten-percent, however, the host country can benefit from growth in employment, increased foreign exchange reserves, new technology, better management, and new markets for exports (Global Economy). If this portrayal of Foreign Direct Investment is bringing all of these advantages to the table, where do the errors and hardships lie?

Literature Review

The introduction of Foreign Direct Investment has the ability to provide developing countries with needed capital and job creation. The creation of these jobs allows workers to

How Does Terrorism Impact Foreign Direct Investment?

enhance their managerial and technological skills which allows for greater growth in other areas of the economy as well. Due to the motivation of developing countries foreign investors are attracted and therefore begin to regulate the industrial sectors. Overall, developing countries are in need of assistance when it comes to the saving-investment gap which Foreign Direct Investment fosters economic growth and escalates productivity and competition. Foreign Direct Investment has given developing countries a breath of fresh air in the sense that many of their burdens can be resolved through this transaction (Afza & Anwar, 2013). This addition of Foreign Direct Investment in developing countries who are at an increased risk for terrorism can cause capital shock. Capital shock is reduced as a result of terrorism however they illicit a higher level of uncertainty. For example, in the Basque Country is harmed by a 10% drop in per capita GDP which occurred following their two-decade terrorist conflict (Abadie & Gardeazabal, 2008). Terrorism is viewed as a threat to the operation security of multinational corporations and while profitable and larger nations are experiencing a higher sense of uncertainty due to economic efforts being put towards counterterrorism and not investment (Abadie & Gardeazabal, 2008). While terrorism has a relatively low impact on the economy, for example the September 11, attacks on the United States showed a 0.06% decrease in economic productivity, however, the closure of economic ties due to terroristic activities results in lower foreign direct investment (Abadie & Gardeazabal, 2008).

How Does Terrorism Impact Foreign Direct Investment?

In addition, foreign direct investment has a positive impact on the country receiving aid. Foreign Direct Investment not only brings needed capital for investment, but it also enhances the job sector and better technology (Afza & Anwar, 2013). Foreign Direct Investment is hindered by the terroristic activities due to the investments being held and capital not being able to flourish. Terrorism has a strong tendency to close the open flows of trade across economies resulting in a decrease in Foreign Direct Investment. The cost of terrorism is determined by the increasing need for counterterrorism expenditures which takes money away from investment and rather is used for counterterrorism tactics (Llussá & Tavares, 2007). This is important to note due to the fact that today, almost all countries are recipients of Foreign Direct Investment. The political risks that come with terrorism are unattractive for the investing countries especially when the violence is easy to observe (Lee, 2017). Since terrorism is a common type of political violence resulting in a larger divestment affecting the growth of the economy and destroying infrastructure. Terrorism is seen as a one-sided risk that is only affecting the country that is being attacked (Abadie & Gardeazabal, 2008).

Terrorism

Terrorism is not a simple term to define based on the multiple perspectives that are put into place by the country on the receiving end of the attacks as well as the perpetrators. Terrorism is the use of violence and intimidation unlawfully against civilians in the pursuit of political aims.

How Does Terrorism Impact Foreign Direct Investment?

There are five categories of terrorism which are state sponsored, dissent terrorism, terrorists of the left and right, religious terrorism and criminal terrorism (Eastern Kentucky University , 2019).

These categories of terrorism are rooted in the history of the French Revolution, Israeli-Palestinian conflict, the Russian invasion of Afghanistan as well as culture or civilization clashes, globalization and religion. Majority of the terrorist attacks that have been carried out are due to more personal or individual based reasons. The types of terrorism this paper will be comparing are transnational terrorism, political terrorism, and domestic terrorism.

Transnational Terrorism

Transnational terrorism has been defined by political scientists as terrorism when it becomes clear that the prevailing state was inadequate in explaining both the extent and the impact of international interactions. Transnational terrorism is used to discuss the interactions of non-state actors that are international in nature but not directed by states (Richardson, 1999). Since these events are not carried out by state actors the sanctions that are able to be put in place are limited due to the scope of international law. As an addition to globalization, the increased interactions between state and non-state actors has exponentially increased and in many ways facilitates the growth of the spread of terrorism and their ideals.

Political Terrorism

Following transnational terrorism, political terrorism is defined as “if an attack deliberately targets civilians, then that attack will be considered a guerilla attack. It all depends on who the

How Does Terrorism Impact Foreign Direct Investment?

intended victims are” (Ganor, 2010). When the state actors support the terrorist activities and do not intervene to stop them, they are considered political terrorism. Acts of political terrorism can occur when there is a transition of power or there is unrest with the current administration. The most commonly known type of political terrorism is a coup d'état. One of the largest forms of political terrorism can be seen in the leadership of Maduro in Venezuela through not only the strife that is taking over the streets but also the overall decrease in the standard of living throughout Venezuela.

Domestic Terrorism

Domestic terrorism is also known as homegrown terrorism or the targeting of victims within a country by a person with the same citizenship. According to the US Code 2331, Domestic terrorism is activities that involve acts dangerous to human life that are a violation of the criminal laws of any state. In addition, these acts appear to be intended to intimidate or coerce a civilian population, to influence the policy of a government by intimidation or coercion and/or to affect the conduct of a government by mass destruction, assassination or kidnapping. These acts occur primarily within the territorial jurisdiction (Code, n.d.). Domestic terrorism is any act of terrorism that takes place on that country's soil but planned and carried out by a citizen of that country. An example of domestic terrorism can be seen with the 2017 attacks in Barcelona, Spain.

How Does Terrorism Impact Foreign Direct Investment?

Foreign Direct Investment

Foreign Direct Investment, or FDI, is defined as an investment that is made by a firm or individual in one country into the local business interests in another country. Foreign Direct Investment is established when an investor creates foreign business operations or acquires a foreign business asset. Usually, FDI is made in open economies which offer skilled workforces and above-average growth prospects for investors, furthermore, Foreign Direct Investment involves more than just a capital investment. Since Foreign Direct Investment is more than just a capital investment, it is followed by the provisions of management, technology and establishes effective control or substantial influence over the decision making of the foreign business or asset (Chen, 2019). In the developing world, Foreign Direct Investment is an important alternative in the development finance process, and the inflows of FDI allow for the creation of employment, technological know-how and enhanced competitiveness (Adams, 2009). The competitiveness and creation of jobs, allows for the growing businesses in the industry to have a chance to make a difference in their country while lowering the rates of unemployment in some cases.

There are not a one-size fits all when it comes to Foreign Direct Investment which allows for three different types of investments to be made. The three types of foreign direct investment are horizontal, vertical and conglomerate investments. Horizontal foreign direct investment allows the investor to establish the same type of business operations in a foreign country and maintain an identical operation in both countries. A vertical investment is where different but related business

How Does Terrorism Impact Foreign Direct Investment?

activities from the investor's main business are acquired in a foreign country. This may include parts or raw materials that are required for the manufacturing company to be supplied by the foreign company. Lastly, conglomerate direct investment refers to when a company or individual makes a foreign investment or individual makes a foreign investment in a business that is unrelated to the existing business (Chen, 2019). With this being said, there are many concerns that with the involvement of countries and companies in foreign businesses and economic transactions that there will not be an organic development but rather the growth would occur in a disarticulated manner (Adams, 2009).

Theories

As terrorism increases and closes the open flows of trade across economies, Foreign Direct Investment decreases. Terrorism has a large effect on capital accumulation and is views in three ways. Primarily, showing how terrorist events destroy part of a country's capital stock. In addition, terrorism changes the determining process of capital return which has an effect on the investment position in the world economy. This is determined by the direction of the attack, however, in its absence almost all units of capital are consumed (Abadie & Gardeazabal, 2008). According the Abadie, terrorism is a one-sided risk, however, the closure of economic channels due to growth in terroristic activities also puts shareholders and investors at risk. Even though they are not the intended target, they still face significant repercussions and economic loss. Abadie continues to say that the changes in intensity of terrorism have an ambiguous effect on the overall investment

How Does Terrorism Impact Foreign Direct Investment?

position of the world, and to his point I agree. As terroristic activities increase in a particular region, the financial flows begin to break down and the economic channels begin to close leading that capital to be invested in more stabilized countries to gain a more profitable portfolio.

Furthermore, the closure of economic channels adds to the investments to be tied up in a volatile host country. These terroristic activities not only destroy the livelihood of the citizens but also the infrastructure that the Foreign Direct Investment was helping create and sustain. The new jobs, technology and capital investments are destroyed by the hostility and therefore in the future companies and countries are less likely to invest. Through this we see terrorism as a multifaceted problem that has indirect effects that have a trickle-down effect. For example, following the initial attack of terrorism, the first victim are the citizens of the country. They feel the immediate repercussion and have to rebuild their lives, the effect they feel is the largest and takes the longest to rebuild. Following the citizens of the country, are the neighboring countries who might have supported the fight against terrorism along with the country's allies. At the bottom of the food chain but still a significant actor is those that invested in the growth of the attacked country. These investors have not only lost out on economic resources, but also on the technology and infrastructure they helped the country build to be more profitable and more sustainable long term. Their investments are now worth significantly less and can create a shockwave of instability throughout the country. The profits that they were making during the course of the terrorist attack

How Does Terrorism Impact Foreign Direct Investment?

are usually immediately pulled and invested in another more stable country or drawled back to the company's headquarters for self-protection measures.

Abadie and Gardeazabal further support this in their article as they describe their simple two-country economy model; this model shows that terrorism only affects a small portion of the productive capital of the country directly affected, however the risk is significantly greater to the distribution of international investment, or Foreign Direct Investment. While the increase of international investments could contribute to a surge in terroristic activities, it is not the focus of this paper but is still important to note as a possibility in the causation. The openness of capital mobility plays a major role in the first investment for Foreign Direct Investment, and when companies are looking to invest, they control for political stability. So, when terrorist activities occur, the Foreign Direct Investment contributors are not prepared to combat the repercussions and therefore have their economic investments tied to a hostile country that is now experiencing a closure in its economic channels.

Overall, terrorism does affect Foreign Direct Investment through the closure of economic channels resulting in a lack and inability for international capital to be moved. Through this, terrorism is proved to have multiple affects and is not only a one-sided risk. Terrorism has a larger ban of destruction feeling the effects miles away at the headquarters and capitals of those who are contributing through Foreign Direct Investment. As we begin to recognize the effects of terrorism

How Does Terrorism Impact Foreign Direct Investment?

as a multi-sided risk, it is important that we also begin to think of ways to protect all who are involved and to reduce the magnitude of destruction that is caused.

Hypothesis 1:

As transnational terrorism increases foreign direct investment decreases.

Hypothesis 2:

As domestic terrorism increases foreign direct investments will remain constant.

Hypothesis 3:

As political terrorism decreases foreign direct investment will increase.

Methods

For this topic, there are many different factors that come into play. The first is determining how to measure the levels of the variables. In order to begin the analysis of my cases and even select them, I needed to determine how to measure the levels of terrorism and foreign direct investment.

My method for these measures was to rank the countries low medium and high based off an interval system for foreign direct investment. To determine a low measure of Foreign Direct Investment the range is between 10 million and 16,000 million. Following the low levels of Foreign Direct Investment, if a country is in the range of 118,000 million at the upper end to the lower end of 16,000 million. As for the high levels of Foreign Direct Investment, the highest level of a 3, means a country can have between 50,000 million to the low end of 118,000 million.

How Does Terrorism Impact Foreign Direct Investment?

Ranking Scale	Amount of Foreign Direct Investment Received
1	0 million to 50,000 million
2	50,000 million to 99 million
3	100,000 million +

Follow the measures of Foreign Direct Investment, to determine the levels of terrorism, or terroristic activities in a country they will be ranked on a 3-point scale based on their percent of attacks in the globe. To receive a 3 which would show high levels of terrorism they would be in between 100 and 64 attacks. Following a 3, a country could receive a 2 which would mean their country has 63 attacks to the lower end of 34 attacks in the globe. Lastly, to get a 1 which would show very low levels of terrorism the country would have between 0 attacks all the way to 33 attacks.

Scale	Percent of global terroristic attacks
1	33 – 0
2	63 - 34
3	100 - 64

How Does Terrorism Impact Foreign Direct Investment?

Case Study Selection

When deciding on my cases, I controlled for government type in order to allow for my independent and dependent variables to flow freely. The independent variable in this research is foreign direct investment and the dependent variable is the types of terrorism. Taking the control, independent and dependent variables into account the cases I decided to explore are Israel, Greece, and Spain; these three countries are governed by parliamentary governmental systems.

Israel

Israel has seen itself in the spotlight with the many concerns around the status of the Gaza Strip and the uprisings between the Israelis and the Palestinians. While the issue of who belongs in the holy land is a war that has been fought for many years and still finds itself at the center of attention, Israel has seen more attacks of terrorism. In 2017, Israel experienced 32 terroristic attacks that have affected many different ways of life and has left many dead or severely injured. For example, since 2015 over 1,239 rockets have been launched towards Israel from the Gaza Strip, 79 people have innocently been killed and 1,219 people have been wounded. These attacks are more than just rockets being launched from a distance, they are stabbings, shootings, attacks carried out by motor vehicles, and pipe bombs. Cumulatively, there have been over 1,000 attacks carried out in Israel both by domestic and international actors since 2015 with 32 of them being major attacks in 2017.

How Does Terrorism Impact Foreign Direct Investment?

As for status of foreign aid through foreign direct investment in Israel they score relatively high. Overall, they hold 99 million in foreign direct investment which ranks them as a two (2) on the scale that I have created leaving them in the middle range of Foreign Direct Investment in terms of analysis (chart).

Greece

In the year 2017, Greece experienced 43 incidents of terrorism. Those 43 attacks place Greece in the level 2 for terrorism attacks making them middle ground. These terrorist attacks in Greece for the most part was on low-levels and didn't cause an uproar in the media due to the lack of damage. Greece is a member of the coalition to take down ISIL and ISIS, therefore they are prime targets for international or transnational terrorism. Many of the attacks that were reported involved a bomb of some-sort and with this being said they were found and disarmed before the intended targets were harmed. Greece is in partnership with many international organizations, one of which is an extension of the United Nations and hosts many European Union member countries. The events that took place in Greece overall were very political, and transnational in a sense.

As for status of foreign aid through foreign direct investment in Israel they score relatively high. Overall, they hold 92 million in foreign direct investment which ranks them as a two (2) on the scale that I have created leaving them in the middle range of Foreign Direct Investment in terms of analysis (chart).

Spain

How Does Terrorism Impact Foreign Direct Investment?

The first bit of crucial information in the case of Spain is the number of terrorist attacks that have taken place. In the year 2017, Spain had experienced a total of 4 terrorist attacks which makes them a low-level recipient and places them with a score of a 1. These attacks that took place were both domestic and international in nature.

The first attack that is notable is the 2017 attacks in Barcelona. In August of 2017, a 22-year-old drove a van into pedestrians in La Rambla which resulted in the deaths of 13 people and 130 injured people. The attacker fled on foot and killed another victim in a carjacking, roughly nine hours following the car attack five additional men drove into more people killing one and injuring 6. In this second attack, the attackers were shot and killed by the police. Prior to these attacks, the night before two people were killed in an explosion where 120 gas canisters were found, and the police concluded that the terrorist cell was attempting to make several bombs but there was a malfunction which caused one to detonate within the home. The Spanish Prime Minister referred to these attacks in Barcelona as jihadist and accused of ISIL or the Islamic State of Iraq and the Levant of being responsible.

These attacks that are aforementioned, shed a light on the impact of instability that is currently occurring in Barcelona. In 2017, a referendum was established that allowed the separation of Catalonia from the rest of Barcelona. This separation of Catalonia and Barcelona had many people unsure of how the country would be able to overcome this divide, and what type of chain reaction would occur in other regions within Spain. We are unable to link the attacks in

How Does Terrorism Impact Foreign Direct Investment?

Barcelona that occurred in 2017 to the separation of Catalonia and Barcelona that occurred in October of the same year, however, the attacks that were carried out were meant to instill fear in the people which is a tactic used when trying to incorporate a large scale change such as a separation.

As for status of foreign aid through foreign direct investment in Israel they score relatively high. Overall, they hold 2680 million in foreign direct investment which ranks them as a three (3) on the scale that I have created leaving them in the upper range of Foreign Direct Investment in terms of analysis (OECD, OECD Stats, n.d.).

Case Study Analysis

Israel

H1: As transnational terrorism increases foreign direct investment decreases.

Israel has seen more and more transnational terrorism occurring due to the increased tensions across the Gaza Strip. This hypothesis was found to be invalidated because foreign direct investment has remained in a consistent range, therefore we are unable to confirm that transnational terrorism is causing a decrease in foreign direct investment.

H2: As domestic terrorism increases foreign direct investments will remain constant.

The terrorism that is occurring in Israel is represented as coming from external actors and there for this hypothesis would be invalid due to the lack of resources and information on the

How Does Terrorism Impact Foreign Direct Investment?

amount of domestic terrorism to determine if it is causing the foreign direct investment to remain constant.

H3: As political terrorism decreases foreign direct investment will increase.

This hypothesis we can validate because there has been a decrease in political terrorism in the sense that the Israeli government is not carrying out terrorist attacks on their own people. However, it is important to bring attention to the conflict with Palestine regarding the Gaza Strip is political in nature.

Greece

H1: As transnational terrorism increases foreign direct investment decreases.

Some of the terrorist events that took place in Greece throughout 2017 were due to the attempts of Greece to combat international terrorists. This hypothesis is inconclusive, because it is difficult to determine that the transnational terrorists' attacks had any impact on the foreign direct investment of Greece due to there not being a true separation in the reports.

H2: As domestic terrorism increases foreign direct investments will remain constant.

This hypothesis is valid, Greece experienced the failed attacks against political leaders and the citizens of Greece, and the foreign direct investment remained on its uphill trend. This is not to say that the only reason that Greece has experienced a constant level of foreign direct investment that it is in the hands of domestic terrorism, there is simply a correlation.

H3: As political terrorism decreases foreign direct investment will increase.

How Does Terrorism Impact Foreign Direct Investment?

I was unable to find any evidence of political terrorism and therefore cannot make an accurate assumption on the projection of increasing foreign direct investment. The data that is collected on political terrorism is very limited due to the corruption of states and wanting to protect the leaders that are ultimately making the decisions to carry out acts of this kind.

Spain

H1: As transnational terrorism increases foreign direct investment decreases.

This hypothesis is invalid, due to the fact that there is inconclusive evidence that there was a decrease in Foreign Direct Investment following the 2017 attacks in Barcelona. Spain continued to see a high level of Foreign Direct Investment in 2018.

H2: As domestic terrorism increases foreign direct investments will remain constant.

This hypothesis is validated because the events that took place in Barcelona, have been classified as both domestic and transnational due to the actors being Spanish citizens but pinpointed as having an international affiliation with ISIL. Spain continued to see a high level of Foreign Direct Investment in 2018 which follows the previous trends.

H3: As political terrorism decreases foreign direct investment will increase.

This hypothesis is invalid, mainly because out of the four total terrorist attacks that took place in Spain during the year of 2017, none of them were political in nature. By not having any political terrorist attacks take place in this year, we do not have any data to measure this hypothesis.

How Does Terrorism Impact Foreign Direct Investment?

Conclusion

To report the findings of my research based on my hypotheses, I would like to reintroduce my hypotheses:

H1: As transnational terrorism increases foreign direct investment decreases.

H2: As domestic terrorism increases foreign direct investments will remain constant.

H3: As political terrorism decreases foreign direct investment will increase.

For hypothesis one (H1) my research was found invalid overall. This is due to Spain invalidating the hypothesis with high ranking (3) of foreign direct investment and low ranking (1) of terroristic activities in the globe. For Israel, they found hypothesis one (H1) to be invalid. Israel had a ranking of medium level (2) for foreign direct investment and a medium level (2) for of number terrorist attacks. To close out hypothesis one (H1), Greece ranked a medium level (2) for number of terroristic attacks and a medium level (2) for foreign direct investment. Greece therefore finds the first hypothesis inconclusive.

For hypothesis two (H2) my research was found valid overall. This is due to Spain validating the hypothesis with high level (3) ranking of foreign direct investment and low-level (1) ranking of terroristic activities. For Israel, they found hypothesis two (H2) to be invalid. Israel had a ranking of medium for foreign direct investment and a medium for number of terrorist attacks. To close out hypothesis two (H2), Greece ranked a medium level (2) for of terroristic attacks and a medium level (2) for foreign direct investment. Greece therefore validates the second hypothesis.

How Does Terrorism Impact Foreign Direct Investment?

For hypothesis three (H3) my research was found invalid and inconclusive overall. This is due to Spain finding the hypothesis inconclusive. With a ranking of high (3) for foreign direct investment and low-level (1) ranking of terroristic activities. For Israel, they found hypothesis three (H3) to be valid. Israel had a ranking of medium for foreign direct investment and a medium for number of terrorist attacks. To close out hypothesis three (H3), Greece ranked as a medium level (2) for of number of terroristic attacks to take place and a medium level (2) for foreign direct investment. Greece therefore finds the third hypothesis invalid.

Hypothesis	Conclusion
H1	Invalid
H2	Validated
H3	Inconclusive and invalid

These three hypotheses could have easily been many more depending on the scope of the paper. This paper in particular had a narrow scope based on the type of terroristic attack that I looked at as well as trying to select similar case studies. I believe that this paper could be turned into a comprehensive report to the findings of the breakdown of types of terroristic attacks or even the weapons used to carry out these attacks and on the side of foreign aid, it could be broken down into what type of foreign direct investment as well as where that money is coming from, either

How Does Terrorism Impact Foreign Direct Investment?

governmental, multinational corporation (MNC) etc. There is definitely room for improvements which I will continue to explain below.

Overall, this research was a very good indicator of Foreign Direct Investment's being impacted by terrorism across the globe. Not only was I able to determine what would be considered a low medium and high receiver of foreign direct investment there was also a scale given to the global percentages of terrorism to make sure that there was consistency. I believe that this research does have plenty of space to be expanded on and have three cases does not allow for it to be a fair representation of the globe when it comes to the impact terrorism has on foreign direct investment or any form of foreign aid for that matter.

I believe that this paper has the ability to be expanded on in the future and should be done so. The information that comes from this later report would have the ability (and I think it would impact countries) to impact countries and allow them to see not only how detrimental their terroristic attacks are to their security and the safety of their people but also the development of their country. Possibly, with this new founding there would be a decrease in terrorism across the globe allowing for the stronger spread of ideas, regardless of location, as well as a more united world. I believe that this would aid the development of lesser developed nations immensely and would be able to increase the overall world production.

In addition, this topic has various different avenues that can be explored and has the potential to be expanded on vastly. With a large amount of time, the topic can really be broken

How Does Terrorism Impact Foreign Direct Investment?

down into the many different types of terrorism and the different classifications of Foreign Direct Investment. However, the breakdown of all of the different subsections of the main topic, may make the paper lose focus in the sense of establishing which methods of terrorism and foreign direct investment you are analyzing as well as the importance of all of them. With this being said, it could also make the paper into a comprehensive report on the findings and correlations between the various levels of foreign direct investment and their impact on each individual type of terrorism that is being carried out.

Furthermore, personally I ran into some issues when selecting my cases due to wanting to control for government type. I thought as if controlling for government type would not really affect the amount of foreign aid that is being received, however, the more stabilized the government system typically they receive more aid. This could even be said when looking for the levels of terrorism, due to the perception of a country having a more stable government system they are going to experience lower levels of terrorism in comparison to the rest of the world. This was not something I thought of when selecting my cases originally, but now in hindsight it would be interesting to look at different government types and see what their individual impact is.

How Does Terrorism Impact Foreign Direct Investment?

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How Does Terrorism Impact Foreign Direct Investment?

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