Chapter 4. Rational Extremism: The Calculus of Discontent*

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1. Introduction

Extremist leaders often end up either as heroes or villains. Sometimes they can be both at the same time, depending on who you are reading or talking to. Vladimir Illyich Lenin is usually considered a villain in the West, but to many people for a long, long time he was a hero. Mahatma Gandhi was often considered an extremist villain by the British government, as Nelson Mandela was to the apartheid South African government. Slobodan Milosevic is largely considered a villain now, but not by everyone, and he was once a hero to many Serbs.

One reason extremist leaders are either villains or heroes is that they have big goals. Like Greater Serbia, a democratic South Africa, independence for India or a Communist society. Leaders with big goals or radical agendas obviously are going to come into conflict with other groups in society who don’t share those goals. The conflicts between communism and capitalism, independence vs British rule for India, black votes or white rule in South Africa, or Serbian aspirations vs those of the Croatians, Albanians, and Slovenians are obvious.

Our point of view is that extremists are rational. Their goals may be bigger than those of most of us, but from an economist’s point of view, rationality just means that, whatever the goal, a person chooses the best means to achieve it. The goals themselves are neither rational nor irrational, we just take them as given. The simplest way to think of an extremist is someone whose goals or views are outside the mainstream on some issue or dimension. In the 20th Century, extremists were typically persons on the extreme right or the extreme left, but the dimension could also be nationalism, religion, or security or any other politically important dimension. However, there is another way to think of extremism in politics, in which extremism refers to the use of extreme methods of political competition, usually violent ones, such as assassinations or terrorism.

What leads political leaders to take extremist positions on issues? Why do they sometimes demand that their followers use violence or other extremist methods in order to achieve their goals? These questions are obviously of great importance today. In this chapter I do not have much new
to say on the first question, but I do propose an answer to the second one: sometimes the method
follows from the goal and is not independent of it. That is, if a group has extremist goals, extremist
methods are more likely to be attractive to its leaders than if its goals were moderate. Indeed, the
more extreme the goals of the group, the more likely it is to use extremist methods to further those
goals.

Extremist leaders who succeeded in their goals largely without violence make up many of
our modern heroes. Mahatma Gandhi and Martin Luther King are the most obvious examples.
They are both mainstream today, and justly heroic, but they were considered extreme by many in
their heyday, Gandhi by the British, King by many in the US South. But they both expressed a
profound moral aversion to violence. How they were able to succeed without it is, of course, in part,
a tribute to their genius. But it is also because they saw the possibility of attracting mass support to
their cause without it. And it is also because their goals were universal:

I have a dream that one day this nation will rise up and
live out the true meaning of its creeds. We hold these truths to be
self-evident that all men are created equal. I have a dream that,
one day, on the red hills of Georgia, the sons of farmers’ slaves
and the sons of farmers’ slave owners will be able to sit down
together at the table of brotherhood. I have a dream that, one
day, even the State of Mississippi, a state sweltering with the
heat of injustice, sweltering with the heat of oppression, will be
transformed into an oasis of freedom and justice.

I have a dream.

CBC Radio Archives: Martin Luther King Jr (Delivered on the Steps at the Lincoln Memorial in
It’s still moving to read that speech today, and it is hard nowadays to think of Martin Luther King as an “extremist”. But from the standpoint of many in the southern United States in the 1950’s and the early 1960’s, where segregation was the norm, that’s what he was. Of course, among civil rights leaders he was a moderate, and he was supported by many federal leaders, including the Kennedys. Extremism is always relative to a particular context, time or place.

Nelson Mandela is another of today’s heroes, and, like King, he is certainly a hero of mine. But he faced entrenched opposition from the apartheid government of South Africa, and sometimes he despaired of achieving his goals without violence. In 1961, he formed an armed wing of the African National Congress, arguing that the violence of the government could possibly only be combated by violence. It’s a view he made clear in this rare interview with a British television reporter in 1962 while he was on the run from South African police. The interview was broadcast on the CBC in 1985:

Mandela:

The Africans want, require, the franchise on the basis of one man one vote. They want political independence.

BBC Reporter:

Now if Dr. Vervolt’s government doesn’t give you the kind of concessions that you want sometime soon is there any likelihood of violence?

Mandela:

There are many people who feel that it is useless and futile
for us to continue talking peace and non-violence against a
government whose reply is only savage attacks on an unarmed
and defenseless people. And I think the time has come for us
to consider – in the light of our experiences – in this struggle
whether the methods we have applied so far are adequate.

CBC Announcer:

Two years after this interview, in 1964, Nelson Mandela was
found guilty on sabotage and treason charges and sentenced to life
imprisonment2.

Of course, in the end, Mandela and the African National Congress won their fight for
democracy in South Africa, and if it was not entirely without violence, there was no bloody
revolution, and Nelson Mandela became the first president of an integrated South Africa.

Moving towards the other end of the “violence – nonviolence” spectrum, there is the case of
Slobodan Milosevic. He did not shrink from using violence: He launched four wars during his
time as President of Serbia. Ultimately he went to war with NATO. He lost that war, of course, and
is currently still on trial at the Hague for “crimes against humanity”. Few think of him as a hero
today. But he too had big goals, as described in this broadcast from CBC news, July 5/92:

CBC Announcer:

Three million Serbs are scattered outside the borders of the largest Republic, Serbia, as the
patchwork country once known as Yugoslavia unravels. Many of these people long to be
part of a greater Serbia. It’s a dream the Serbian President Slobidan Milosevic has
encouraged. He’ll never say it, though to the outside world. When he does give rare

2 Cbc Radio “Sunday Morning” Broadcast Feb 17/85. From Nelson Mandela rare interview in
1962
interviews in English, the message is always “peace” and “harmony”:

Milosevic: “Serbia doesn’t have any territorial pretensions as a Republic. No territorial pretensions. We want to preserve integrity of Yugoslavia as a country, as a common country, of equal nations and equal Republics.”

The explosion of nationalism in Serbia prefigured the explosion of radical Islamic nationalism. Both were “organic” movements, fuelled by what to many seemed the disappearance of the basis of solidarity in their societies - Communism in the former Yugoslavia, the Islamic community in the Arab world.

Yet a different kind of violence has been practiced by Osama bin Laden. His goals are big, too. He dreams of a truly Islamic society, like that in the Prophet Mohammad’s time. Among the chief obstacles to that dream are the secular, US -- supported governments in places like Egypt, and the US and other secular, Western societies themselves, which bin Laden thinks of as living in a state of jahiliyya, or barbarism.

To most people in the West, myself included, Osama’s methods are repulsive. But, to my mind, the best way to understand what he is about is to assume he is rational. His goals are huge, but they are hardly universal. And he faces entrenched opposition to his goals, not only from within Arab countries, but from much of the rest of the world.

Is Osama rational? The place to start in understanding Osama is that he is weak. From the military point of view, he is a Holy Warrior without an army. Politically, he does not command an organized political party that could take power anywhere in the Muslim world. Even in

3 Milosevic: CBC Sunday Morning, July 5, 1992

4 Solidarity plays a central role in explaining why people who are members of groups are willing to commit extremist acts. This subject is not treated here but it is in Wintrobe (forthcoming). As Richard Vernon has suggested to me, St
Afghanistan, bin Laden was at best the “guest” of the Taliban government. Al Qaeda is only capable of attacking targets that are undefended. Now that the obvious targets have begun to take security precautions, Al Qaeda has been forced to focus more on truly helpless targets, and to do things like spectacularly vicious executions to keep the level of fear up. So his choice of methods may be gruesome, but it is not irrational. He needs to get his enemies to use their strength against themselves, judo – style. As has been said, George Bush is his best “recruiting sargent”. But, it must be remembered, he has a lot of support, if not for his methods, certainly for his goals, as long as they are vague enough. And he, too, is a hero to some:

From CBC Tv News (The National) Sept. 17, 2001

“Long live Osama Bin Laden”, they shouted, “Long live the Taliban”, Even Pakistani demonstrators took to the streets in support of Bin Laden, a Pakistani delegation was in Afghanistan telling the Taliban Regime to give him up or face reprisals on a massive scale. “The government shouldn’t cooperate with American military action against Afghanistan” Say the protestors: “If they are coming here, we will make this place the graveyard of American army”. (SHOUTS)

Martin Luther King, Mandela, Milosevic and Osama bin Laden were (or are) all considered extremists. They wanted to effect radical change in society. King abhorred violence. Mandela was willing to use it only reluctantly. For Milosevic, it was a principal tool. For Osama bin Laden, it is virtually the only tool, and he appears to see the hand of God in it.

What explains the attraction of violence to people with extreme goals? This chapter is devoted to this question. The basic argument is that leaders whose views are outside the

Augustine, in his City of God ( ) also emphasized the power of solidarity in motivating people to commit extreme acts.

5 Bin Laden Support Post 9/11 (From CBC Tv News: The National” Sept. 17, 2001)
mainstream adopt extremist methods when there is an indivisibility which characterizes the relationship between the intermediate goal of the group and its ultimate goal. In the chapter I look at three examples: Communism (control over the means of production is an intermediate goal to the achievement of a communist society), Nationalism (control over territory is an intermediate goal to the achievement of nationhood) and Islamic Fundamentalism (ridding the Muslim nations of foreign and secular influences is an intermediate goal to the achievement of an Islamic society). In turn, conflict between each of these and opposing groups (respectively, capitalism, other nations with the same territorial ambition, secularism), is, in a sense, inevitable as it results from the conflict between their ultimate goals.

If correct, the argument of this chapter would appear to raise a troubling challenge to liberal theory. Freedom of thought is central to liberal theory provided that democratic methods are used to pursue that goal. If there tends to be a correlation between extremist positions and extremist methods, then it may be difficult for the state to combat the latter without imposing controls on the former. Some democracies have “hate” laws but certainly not all or even most of the indivisible aspects of extremist thought are hateful.

Here is an illustration: Eric Hobsbawm begins his book *The Age of Extremes: The Short Twentieth Century 1914-1991*” (London; Abacus 1995) with a section called “The Century: A Bird’s Eye View” in which 12 distinguished people, including 3 Nobel laureates, give a one paragraph summation of the twentieth century. It is fair to say that the idea that it was “the most violent century in human history” (William Golding) or “the most terrible century in Western history” (Isaiah Berlin) are not unrepresentative. The musician Yehudi Menuhin says that “If I had to sum up the twentieth century, I would say that it raised the greatest hopes ever conceived by humanity, and destroyed all illusions and ideals”6. My point in this chapter is that perhaps these

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two observations are connected: it was because the ideas or goals promulgated in the century were so grand that so much violence occurred. Put yet another way, if there is some truth in the saying attributed to Oscar Wilde that “A map of the world without utopia on it is not worth looking at” it is also true that the map of the world with utopia on it depicts a much more violent and conflict–ridden place.

The most important policy implication of the chapter is that one should look at the goals of extremist groups in order to understand their actions. The reason is that it is the indivisibility of the goal which explains the extremism of the actions, and if one can un-bundle the goal or make the indivisible divisible, then there may be ways to provide these goals in a way which satisfies some of the members of the group and thus dries up support for the grander ambitions of the leaders of extremist groups.

The next section outlines the approach to be used (rationality) in more detail, and summarizes the argument to be developed and its implications. Section 3 looks at some of the reasons why political leaders sometimes adopt extremist ideologies. Section 4 looks at the ways in which extremist leaders can obtain power using moderate or peaceful methods. Section 5 outlines our basic argument about the attractiveness of extreme methods. Section 6 develops this model of the choice of method in some detail, shows the calculus of discontent—the conditions under which groups use extremist methods. Section 7 then turns to methods of combating extremism. Section 8 concludes the chapter.

2. The Approach—Rationality

In this chapter, I will look at the choice of moderate vs extreme methods of political competition from the point of view of modern political economy. This means that I will assume that extremist groups and the individuals who join them are rational. That is, given their goals,
they try to adopt the best means to achieve them. The idea that extremists are rational is not new. For example, a recent study of all suicide terrorist attacks worldwide from 1980 to 2001 showed that suicide attacks are typically organized in coherent campaigns which are started and stopped by the group’s leadership, directed at targets which are thought to be vulnerable to this pressure, and always for a specific purpose -- that of gaining control over what the terrorists see as their national territory. (Pape (2003)). In a similar vein, Enders and Sandler (2000) provide some evidence that terrorists behave rationally when they select attacks, substituting less protected targets after protection has been increased at other targets. For example, the tightening of security measures at government embassies and government buildings provoked terrorists to turn to aircraft highjacking. As airports installed metal detectors, this led terrorists to select less protected civilian targets.7

Extremism often involves dissent and demonstrations against the existing situation and there is a big literature on this question. The early literature on political extremism is reviewed by Knoke (1990). He points out that explanations of political extremism in the past were often dominated by psychological explanations. Thus, for example, individuals were held to experience intolerable psychological stresses in their daily lives, and their joining in mob actions was interpreted as a safety valve that let off steam, but accomplished little in the way of solving their problems. In the same vein, participants in extremist movements were often held to be those who were marginal to society, or who were dispossessed by economic change.

Empirical evidence has now accumulated which contradicts these explanations, at least as applied to social movements in general. The evidence drawn from such classic social movements as the Southern Black civil rights movement, the women's movement and Three Mile Island protests, poor peoples movements, and social protest under Weimar consistently suggests that, rather than marginal and anomic persons, collective actions generally attracted participants of

7 More recently, of course, they have also found new ways to get at the old targets.
higher social economic status who were more integrated and better connected to societal institutions than were the non-participants.

Instead, the modern approach tends to see social movements, including extremist movements, as the main vehicle for excluded people to gain access to and influence within an established political system. It follows that extremism can be modelled as a form of political competition.

The assumption that extremists are rational does not mean that they are necessarily selfish, cold, or that they calculate everything. It means only that, given their goals, they try to achieve them as much as possible and this means choosing the best method to achieve them. Nor does rationality imply that they are the same as you (the typical reader) and me because their goals are different. For example, the goals of Al Qaeda are obviously not shared by most people in the West. But the point of the assumption of rationality is to understand people’s behaviour, not to exonerate them or judge them. When we understand what they are about, we make them human and that enables us to put ourselves in their place. This helps us understand why they do what they do and, where their actions are threatening and warrant measures to be taken against them, helps to combat them.

The rational approach to political behaviour is associated with Public Choice theory. In that theory, extremism has an obvious interpretation because the central question in public choice theory is whether or not there is “convergence” of the political parties at the median in left – right space. Extremism would mean that a group would locate towards one of the extremes of left or right. However, there is no real theory of extremism in the standard model because either there is convergence at the median or, as a result of the well known Arrow problem, there is simply no equilibrium and “anything can happen”. In Wittman - Hibbs – Alesina – Alesina – Rosenthal models, in which parties are, in part, ideologically motivated, convergence is not complete, and the

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8 The standard survey of public choice theory is Mueller (2003)
parties may become polarized to a greater or lesser degree, but again there is no real theory of extremist behaviour. The assumption that extremist leaders are rational implies that, given their goals, they choose the best methods to achieve them. It follows that knowing their goals is important to understand their behaviour. The purpose of the remainder of this chapter is to show that, under certain circumstances, groups which have extreme goals — that is, they take extremist positions on issues -- tend also to use extremist methods such as terrorism and violence to pursue those goals. That is extremist thoughts and ideas tend to produce extremist behaviour.

3. **Why do they choose extremist positions?**

Groups may adopt positions outside the mainstream of their societies (extreme positions) for many reasons. Here I will mention a few of the most important ones. Perhaps the most common idea about why groups choose extremist positions is that this is a response to the failure of the policies of more centrist groups. For example, the rise of the Nazi party is often analyzed as a response to the failure of the parties of the centre to act on or satisfy the demands of the German people with respect to issues like unemployment and law and order in the 1930’s. Similarly it has been argued that the rise of fundamentalist Islam is a response to the failure of Arab governments (e.g., the failed socialism of Nasser (see Giurato and Molinari (2002), Zakaria (2003)); in turn, this failure may be related to the fact that Arab governments have tended to be dictatorships, and not of the developmental kind. Yet another example is the USA in the 1960’s, where the Vietnam war gave birth to the Weatherman and other extreme groups.

Extremism can also arise as a response to the “opening up of space” on the extremes as formerly right wing or left wing parties move towards the centre. One example is the rise of the radical right in Israel (which was born as the result of the Camp David accords (Sprinzak (1989)). In the same way, Kitschelt (1997) explains the rise of both the extreme left and the extreme right
parties in Europe as due to the fact that conventional leftist and rightist parties had moved towards the centre. He also notes the increased salience of the libertarian-authoritarian dimension in Europe in the 1990’s which he traces to changing production systems and the consequent new appeal of free market policies as the result of the twin factors of globalization and the failure of communist systems. These combined with authoritarianism to generate the policies of the extreme right in Europe10.

Finally the rise of “extremism” as a response to the fact that one’s homeland is occupied by a “foreign” power, or as a response to a dictatorial government, or where civil rights are limited is easy to explain.

4. How do they get power? (1) Democratic or “moderate” avenues

The general result of political competition under various assumptions (either Downsian, or multi party with probabilistic voting) is the median voter theorem. The basic idea is that, by moving to the centre, each party can gain more votes from centrist voters, and, as long as there are only two parties, not lose any at the extremes. This median solution is also welfare maximizing (Brennan (2002), p. 93, Mueller (2003))

One can then list all of the conditions under which non-convergence would occur: many parties, ideological preferences (especially the preferences of party activists), extra dimensions, etc. But these outcomes are inherently unstable and do not represent an extremist equilibrium (Brennan (2002). Public choice also looks for socially rational outcomes (Brennan (2002) and extremism is usually held to represent an irrational outcome.

How then can an extremist equilibrium result from democratic processes?

9 For one version of this argument, and detailed references to the literature on it, see Wintrobe (1998)
10 But note that in Kitschelt's (1997) analysis, the opening up of space is not sufficient: one still needs the supply of entrepreneurship to account for what happened.
1. One possibility is via a coalition with centrist (the National Rifle Association in the US, or the fundamentalist Jews in Israel have obtained power to have their preferred policies implemented via formal or informal deals with centrist parties)

2. Another, more complex way that extremists can take power is via a coalition of monomaniac extremists (as explained by Pierre Salmon (2002)). Thus two or more groups, each of which is “monomanical” in a separate dimension, can form a coalition large enough to win power. A necessary condition for this is the existence of at least two dimensions. The second dimension might be race or ethnicity, or national security, or nationalism. As Salmon explains:

“For instance, you could have a coalition if you have 20 per cent of a group who are violently anti-homosexual, for instance, 20 per cent who are Catholic fundamentalists, 20 per cent who are anti-immigrants, 20 per cent who are anti-Semitic and 20 per cent who are in favour of complete free markets, then you could have a coalition in which, if you look at the overall figures, you would find only 20 per cent of the people being anti-homosexual, and this would be below the number which is given in moderate parties, in which you have more than 20 per cent of person anti-homosexual.”

So, even though most people in the coalition, let’s say, might not be particularly anti-Semitic, nevertheless, the position of the coalition is anti-Semitic. Most people in the coalition might, let’s say, not particularly care about free markets, but the coalition, as a whole, has a very extreme position on free markets. So, even though most people in the coalition are not extreme on most issues, since the group takes the position of the extremists in the coalition on each issue, the group as a whole is extreme on every dimension.

Pierre Salmon’s ideas can be used to interpret the 2004 American election. Of course, there are some people who always vote Democrat and some who always vote Republican. But they didn’t decide the election. George Bush won that election on a platform with three main
components. All of them seem radical or extreme by the normal standards of American politics. The first is that the way to prevent terrorists from attacking America is to wage unprovoked wars on countries that have supported terrorism, like Iraq, even if there is no evidence that those countries had anything to do with the 9/11 attack. The second is tax cuts that disproportionately favour the rich. And the third is religious fundamentalism, including opposition to abortions, stem cell research, and gay civil unions, and the promotion of religious censorship on television media and of a religious point of view in American life.

There are two ways to interpret his victory. The first is the median voter model, in which case one has to conclude that a majority of Americans are extreme on all these issues. That means the median American is a religious fundamentalist who is in favour of preventive wars and tax cuts for the rich. But most Americans don’t seem to be like that. Salmon’s ideas suggest a different interpretation. This is that Bush won because he put together a coalition of three groups of voters. For each of these groups, one of these issues was paramount and determined their voting. So those in favour of tax cuts for the rich were not necessarily against gay unions or for preventive wars, but they voted for Bush because of his position on tax cuts. Similarly the so-called “security moms” may have voted for Bush for his stand on keeping American safe. But they are not necessarily extremist on the other two issues: it’s just that those issues were less important to them. And the religious evangelicals may not have cared for Bush’s stands on war and tax cuts, but for them the religious issue was paramount. So in the end, a coalition was forged which was extremist on all of these issues even though the average American is not. This is one way of explaining his victory.

3. Another way in which extremism can come to power through normal democratic politics has been described in a recent book, Amy Chua’s World on Fire (2004). Her analysis looks at the likely political reaction to the simultaneous introduction of marketization and democratization, today’s recipe for many countries to develop and modernize. In her analysis the majority

sometimes unites in hatred of a “market dominant minority”. This is particularly likely when the minority in question constitutes a separate ethnic group.

Her starting point is that, particularly in many developing countries, the distribution of the fruits of economic growth resulting from marketization are uneven: there are large gains to a few but losses to many. The fact that the overall level of measured GNP goes up -that there is measured economic growth – may be cold comfort to those who are hurt by the policy. Now, the introduction of democratization at the same time as marketization means that those who are injured have a way of making their feelings felt. Various manifestations of *jihad* tend to result when two conditions hold: a) there is what Chua calls a “market dominant minority” – a minority group which is particularly good at operating in markets, and which obtains what to many may appear to be a disproportionate share of the gains from marketization. The second conditions is that the democracy is “illiberal”: the country is democratic in that there are more or less competitive elections but constitutional protections for human rights and other checks and balances are weak or absent, as seems to be true in many places in the contemporary world. This provides an opportunity for those who are hurt by the policy to favour extremist political actions against these people. The most obvious examples are the Tutsis in Rwanda, the Chinese in Thailand or the Jewish oligarchs in Russia. To some extent, the argument shows one set of conditions for the “totalitarian democracy” so often feared to develop. Zakaria (2003) has also discussed what he calls the rise of “illiberal democracy”. The absence of these checks and protections is what makes majority extremism possible.

To sum up, I have described some of the ways in which extremism can come to power by perfectly moderate of normal methods of democratic political competition. I now turn to extremist methods.

5. **How do they get power (2) Extremist methods**
At the beginning of this chapter I noted a common distinction between two kinds of extremism:

1. An extremist person or group can be defined as one whose equilibrium position is located at a "corner" rather than in the interior on some dimension (for example, the left -- right dimension in political space).

2. Alternatively, a political extremist could be defined as one who uses extremist methods, for example, bombings, inflammatory language, terrorist activity, and so forth, but whose platform is or may be centrist rather than extremist in political (left -- right) space.

Some, for example Galeotti (2002), expand on this distinction to develop a typology of extremism. Assuming all types are possible there are four combinations, as shown in Figure 1. The horizontal axis shows extremism in method, the vertical one extremism in ideological position. The Green party, for example, adopts what to some is an extremist position with respect to the environment, but never uses terrorism or other violent methods of protest (although Greens have famously used civil disobedience). On the other hand, Italian fascism of the 1920’s has been described as an “extremism of the middle”—that is, it was extremist in the use of violent methods of political competition, but its policies were centrist. Modern Italian parties like the Ulivo and Forza Italia are centrist (centre – left and centre – right) in both method and policies. And groups like Al Qaeda, Hamas and the Red Brigades are extremist in both their proposed policies and their methods.

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12 Pscyton (2004) suggests that the reason for this was the necessity to compromise with other groups in the Fascist coalitions. At the beginning and at the end of the Fascist era, this compromise was less necessary and the movement showed its true colors.
However there is something missing here which is central to many kinds of extremism, especially its historically most important kinds. This is the fact that in many cases the goals of extremist groups are indivisible. The most obvious examples are groups which feel dispossessed from their “homeland” and take extremist actions for this cause. Of course a homeland can be larger or smaller but still there is this element: a group either has one, or it doesn’t. Is the area under the group’s control sufficiently large that the government can provide the basic functions of the modern state? Does the group have sufficient control over citizenship, taxation, property rights, security and the means of coercion and violence to function effectively? Similarly, for years many the Communist movement fought for the goal of a communist society, and a central tenet of that movement is that the achievement of communism necessitated a revolution and the overthrow of the bourgeois order. The reason is that it is difficult to have an economy which is half communist / half capitalist in the classic sense of a communist society in which there would be a “new man’ and so forth.

A third example is the control over the means of violence. In successful states this is a monopoly of the state. It can be eroded through gangs, terrorism, etc., but in the end the state is either basically “in control” of the means of violence or it is not, and when the state loses control over it, that state has essentially failed.

Yet another example is Osama bin Laden's goal of a restoration of Islamic rule in Arabic countries (see Lewis (2003), Zakaria (2003). Either a country is secular, based on Roman law or the Napoleonic code or some other secular source or it is religious, based on a religious doctrine such as Catholicism or Sharia law. Finally the same point applies to the aspirations for independence of a group which is under occupation. To look at some historical examples, either the British were going to leave India or Israel, or the French leave Algeria, or they were not, either the
blacks were going to get the vote in South Africa (in which case they would control the government, being an overwhelming majority) or they were not. All of these goals, which were, of course, achieved in the end, are indivisible.

In all of these cases, my basic argument is that there is a natural complementarity between the goal of the extremist group, which is indivisible, and the methods, which are extremist. That is, there is a natural complementarity between extremist goals and extremist methods. Thus it is difficult to separate the two, as we have in Figure 1 above.

Other extremist groups have goals which are clearly divisible: examples are the Greens's goal of a cleaner environment, the National Rifle Association’s goal of fewer restrictions on gun ownership, and so forth. Implicitly, I will argue, these groups never reach the heights of fanaticism characteristic of groups which have indivisible goals.

6. Why do they choose extremist methods?

13 Of course, other distinctions could be made. One of these is the distinction between ordinary extremism and what might be called “totalitarian” extremism. Members of totalitarian extremist groups, as exemplified by classical Nazism and communism, and possibly some variants of Islamic fundamentalism, tend to be extreme in their “worldview” and this viewpoint dictates extremist positions on a whole host of issues, not a single dimension. The classic analysis of American extremism by Lipset and Rabb (1970, 1978) implicitly refers to this type of extremism when they define the essence of extremism as “monism” or “anti-pluralism”. Thus their book is titled “The Politics of Unreason” and they describe such people as unable to compromise. Implicitly the variable here is the comprehensiveness of the extremist outlook – the number of dimensions covered by the extremist world view.
(i) **Extremist methods are risky**

Our starting point is that extremist methods are simply a form of political competition or rent seeking. From the rational point of view, the central point about extremist methods compared to normal democratic methods of political competition or rent seeking is that they are risky. Because they are illegal, or can get out of hand easily, they can provoke a reaction either from the state or from the opposition, and they are therefore more likely to involve greater losses than conventional politics. Consequently the choice between extremist methods and moderation can be analyzed in the same way as the choice between a criminal career and a legitimate one, as in models of the decision to commit crimes pioneered by Becker (1968). This point is explored in the model that follows.\(^{14}\) The point is to show that under certain circumstances the use of extremist means (e.g., terrorism, violence) follows from the extremist goals of the group. Thus it is no accident that the most serious forms of extremism also use terrorist methods. The main conclusion is that one has to understand the goals of the groups in order to understand their actions and to formulate policy towards them.

(ii) **A basic model of the Calculus of Discontent**

I assume a political organization with some ideological goal Z, which might be a state for the group which lacks a homeland, or a communist society, or a law banning abortions, or throwing all people of a certain race out of the country or an Islamic society governed by sharia law. I do not inquire into the rationality of the belief in this goal but take it as given, as is normal in economic theory. The group tries to further this goal by exerting political pressure. So the product of either moderate pressure or terrorism is an increase in Z. Of particular importance, as emphasized

\(^{14}\) (Landes (   ) and Sandler (     ) have also exploited this analogy, though in different ways from that followed here.).
previously, is that this goal is often indivisible, or displays increasing returns. This property is illustrated in Figure 2a, 2b and 2c, where the horizontal axis indicates the level of an intermediate goal -- land to the Palestinians or Jews, control over the means of production, the extent to which foreign forces are thrown out of the homeland, etc. -- and the vertical axis the relationship between this intermediate goal and the final goal of the group (respectively, a Palestinian (or Jewish) state, a communist society, or an Islamic society). This is the relationship that displays an indivisibility or increasing returns. In each case there is a critical point, where enough of the intermediate goal has been obtained that the final goal is possible.

[FIGURE 2 HERE]

Thus Figure 2a shows how communism displays this property, Figure 2b illustrates the case of Palestine-Israel, and Figure 2c contemporary Islamic extremism. In each case there is an indivisibility or area of increasing returns between the intermediate goal and the ultimate goal of the group. To fix ideas, it might be useful to think of an example where there is no indivisibility. The objective of reducing income inequality, for example, is divisible. The level of income inequality in a society is a continuous variable which can take on any level from complete inequality to complete equality. The most common way to represent this is via a Gini coefficient. A graph of this (not shown) would display no indivisibility or increasing returns. Hence income inequality alone is not indivisible and does not provide a motive for extremist methods in the same way that nationalist or religious society aspirations do. Consequently, if the argument of this chapter is correct, the latter provide a more important source of extremism than the former. However, income inequality could be an intermediate goal, and the relationship between it and some ultimate objective indivisible. Marx, who relied on the income inequality of capitalist societies to provide the basic argument for

15 In turn, the indivisibility or zone of increasing returns arises because the intermediate goal can be likened to a
revolution may have realized this and therefore substituted “class” for income. He argued that the normal workings of a capitalist economy would result in the proletariat becoming progressively poorer, and this progressive poverty would result, at some point, in the attainment of class consciousness. Here is an indivisibility (class consciousness as a function of inequality). But, instead, the poor got richer, and, even more fundamental, it turned out to be entirely feasible in many societies to move from one class to another. The basic reason for the failure of Marxist predictions to hold is that the poor got rich in most Western societies, and many of them moved from working class to middle class thus destroying the purported immobility between classes.

Perhaps this argument could be generalized, to the effect that indivisible variables are always the source of revolution.

How does the existence of an indivisibility explain why a group would choose methods like terror to pursue its objectives? According to the argument at the beginning of this section, the basic difference between terror and moderate pressure from the point of view of the group is that terror is risky. I try to capture this feature in the choice among methods of pressure, e.g., that between moderate and extremist methods. I represent that as follows:

Assume the organization has a production function which can either produce moderate (M) pressure or extremist incidents (I) in any combination from fixed levels of labour (L), capital (K) and organizational capacity (O). Of course in reality there is a continuum of methods, beginning with voting, peaceful and lawful demonstrations, then continuing with civil disobedience, violence towards property, assassination of political enemies and ending with violence towards innocent civilians. For the purpose of modeling I assume only two methods, one moderate (peaceful and lawful, and therefore riskless) and the other violent and risky. Then the level of moderate and extremist pressures are:

:missing “factor or production” in the production function of the ultimate goals. See wintrobe (forthcoming) for details
in which

\( I = \) the number of violent Incidents and

\( M = \) the level of Moderate pressure.

The organization’s total stock of L, K and O are fixed:

(2) \( L = L_M + L_I, \)

\( K = K_M + K_I, \)

\( O = O_I + O_M \)

The organization can use any combination of moderate or extreme methods. The more it chooses extreme or violent methods, the greater the level of risk undertaken. Let us first illustrate the general argument with a simple example. Then we will develop it in more detail.

Figure 3 shows the goal of the group Z on the vertical axis. Z therefore represents variables such as nationhood N, Communism C or an Islamic Society IS in Figures 2a, 2b, or 2c. The horizontal axis shows the product of applying various methods of pressure. Suppose that from the risky method there are three possible “states of the world” – success (and the achievement of a high level of pressure \( I_1 \), in which case the level of the goal achieved is \( Z_0 + g \), or failure (with level of pressure \( I_0 \)). Failure results in one of two possible outcomes. In the first of these, the attempt to impose pressure fails and the outcome is simply the status quo \( Z_0 \). In the second, the attempt also fails and in addition, the leadership is caught, convicted and sanctioned, retarding the goals of the group. If the value of the sanction as measured by its cost to the goal of the group is \(-f\), then the outcome in that case is \( Z_0 - f \). On the other hand the outcome of applying a moderate level of pressure is always the level of pressure \( M \), with gains for the group equal to \( Z_0 + m \).
Thus

g = the gains to the group as estimated by its leader from using its organization and other factors of production to produce successful terrorist incidents

m = the (certain) gain to the group from using only moderate methods of pressure

Then one dimension of the level of increasing returns may be summarized by the ratio 
g/m. This is the ratio of the gains from successful terrorist pressure to moderate pressure. The higher this is, the more the function displays increasing returns.

q = the probability that extremist methods succeed and the state accedes to the demands of the group

1 – q = the probability that the methods fail

p = the probability that, in addition to failure, the leadership of the extremist group is caught, convicted and sanctioned

f = the cost of the sanction to the goals of the group

Z₀ = status quo income

U = the utility function of the leadership

Then extremist methods will be chosen if:

\[
qU(Z₀ + g) + (1-q) pU(Z₀ - f) + (1-q)(1-p) U(Z₀) > U(Z₀ + m)
\]

This equation shows how terror can be a rational choice. A moderate level of pressure may leave the group stuck in the region of increasing returns, with the goal hardly advanced. With
terrorist or risky methods, on the other hand, it is *possible* that the group can achieve its goal. Of course it is also possible that the group will fail, but note that the costs of failure may not be that large if there are increasing returns ($Z_0 - f$ is not that far from $Z_0$). Thus, given that the goal displays increasing returns, terrorism may be a rational choice.

Whether terrorism is rational depends on the structure of opportunities. The greater the indivisibility, the larger the ratio $g/m$, and the more likely extremist methods will be chosen, as shown in equation (3). An increase in the likelihood that the methods succeed ($q$) will also raise the likelihood that these methods are chosen. Similarly, an increase in the capacity to manufacture terrorist incidents $I$ would on the other hand raise the level of terror by raising the ratio $g/m$.

The other main determinants are the deterrence variables $p$ and $f$. Increases in these variables are effective in deterring extremism, if they can be raised high enough. But note that increasing returns may limit the effectiveness of these variables. If these are large, as depicted in the figure, the enormous potential gains from terror explain the indifference of many extremist groups to loss of life, either that of their victims or the losses to members of the group who sacrifice themselves for the cause. Thus it shows that sanctions and other punitive measures against the group may not be effective. Second, raising $p$ sufficiently high to act as an effective deterrent may involve a conflict with civil liberties, as is often remarked.

Finally, the figure shows the importance of paying attention to the goals of the group, as their indivisibility is central to the reason for the choice of terror as a mode of political competition. And one way to combat terror is to try to make the indivisible goals divisible.

We shall return to these matters below. First let us construct the argument more carefully.

(iii) The argument in more detail

To see the argument in a more detailed and comprehensive way, begin with Figure 4.
Figure 4 shows the relationship between the instruments chosen (and therefore the level of risk) and the level of pressure exerted. At the origin on the horizontal axis, all of the factors of production are employed in moderate pressure, so the level of risk is zero. As we move along the horizontal axis, more and more of the factors are employed in the risky method, terror. The vertical axis shows the expected level of pressure which results. Each point depicts the maximum level of pressure which it is possible to produce corresponding to that level of risk. It seems reasonable to suppose that taking at least some risk increases the expected level of pressure, so the curve depicted is initially upward sloping. At some point, too much risk can be taken from the point of view of expending pressure and the slope of the curve turns negative. The maximum level of expected pressure is the point Q, but the actual level decided upon by the leader of the organization will depend also on his or her attitude towards risk, as discussed further below.

The next question is the relationship between pressure and power. This depends on the structure of political institutions or the rules of the political game in the society where terrorist activity is undertaken. To take the most obvious case first, suppose that the country is a democracy, and that the assumptions underlying the median voter model are satisfied. Then pressure succeeds only when the median voter is “persuaded” and fails otherwise. Once it succeeds, further pressure does not produce any more power. In that case, pressure produces zero power until the median voter is persuaded, it produces “absolute” power at that point, and beyond that point further pressure produces no further increase in power. Of course this depiction is extreme. One way to relax the assumptions but stick to the median voter model is to allow for some uncertainty as to the location of the median voter. Then the curve displaying the relationship between pressure and expected power will again display increasing returns until the expected position of the median is reached, and diminishing returns thereafter. Again there will be a critical point, depicted as A in
Figure 5, and this will be at the location of the median voter if the estimate of this position is unbiased.

Other possible models of democracy do not necessarily display such stark levels of increasing returns. For example, if political parties maximize expected votes, as in the probabilistic voting model\(^{16}\). Similarly, pressure group models do not display this property\(^{17}\).

[FIGURE 5 HERE]

Another possibility is that the regime is a dictatorship. Here, once again we would expect that the curve would display increasing returns, since the point of “extremist” protest against a dictatorship is to cause the regime’s downfall, and the point at which the state is weakened sufficiently for a revolution to take place is obviously a critical point. Short of having sufficient support to effect this revolution, most attempts at protest will simply bring problems for those who attack the regime. Indeed, in recent years, the literature on revolution is replete with such things as the possibility of bandwagon effects or the achievement of “critical mass” (see Rasler (1996), or Opp and Ruehl (1990) as depicted in Figure 5.

If Figure 5 does have the shape depicted, this only reinforces the degree of increasing returns to extremism and the basic argument made here. However, it is not necessary to our argument. Only if Figure 5 displayed diminishing returns throughout would the picture we are developing be possibly undermined.

[FIGURE 6 HERE]

Figure 6 then displays the relationship between power and the immediate objective, eg, land for the Palestinians, control over the means of production, or ridding the country of non Islamic

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\(^{16}\) see Mueller (2003) for a survey
authorities, domestic or foreign. For simplicity these are all represented by the variable L. There seems no compelling reason to believe that this relationship is non-linear, hence it is depicted as a straight line.

[FIGURE 7 HERE]

One way to illustrate our basic point can be seen in Figure 7. Our assumption (1) implies that the group leader can choose any combination of extremist methods and moderate methods. So the level of risk which can be undertaken is completely variable. The horizontal axis displays this level of risk and the vertical axis the expected total returns to it, that is, the value to the group of the achievement of its final goals at different levels of risk. The curve in Figure 7 displays the risk–total return relationship for a group which is contemplating various methods of pressure from fixed resources. Equilibrium is at the point $E_0, \sigma_0^2$, if the group decision maker is risk averse. The indivisibility implies that, from the point of view of the group’s decision makers, very little is to be expected from moderate methods of pressure, and even switching some resources into extremist methods does not advance the goals of the organization very much. As pressure is ratcheted up, the gains from it increase at an increasing rate over a substantial range. Ultimately the rate of increase of these gains tapers off, and they continue to increase but at a decreasing rate. So only at large levels of pressure do the gains become sufficiently large that the objective can be said to be reached. Finally a point is reached when so much risk is taken that it actually becomes counterproductive, ie after that point returns are negatively correlated with risk. But the essential point is that the larger the range of increasing returns or the greater the indivisibility, the more likely the group is to choose extremist or terrorist methods compared to moderate measures of pressure.

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17 see Austin Smith in Mueller (1997) for a survey
18 Note that the vertical axis depicts the total proceeds or return from a given “portfolio” of moderate and terrorist actions, not the average expected return on the portfolio.
To see this point, look at Figure 8. Suppose that the leadership of the group becomes more extreme. This can occur in two ways. The first is displayed in Figure 8a. There, the leadership becomes more extreme in the sense that they believe that more of the group’s intermediate objective is required before the group can achieve its goal. Thus, to illustrate with the Israel-Palestine question, a group may be said to become more extreme when it is in possession of more of the total land in Israel-Palestine can a Palestinian (or Jewish) state be achieved. Thus the curve and its inflexion point moves to the right in Figure 8a. Assuming for simplicity that the data underlying figures 3-6 is unchanged, the result in risk-return space is as depicted in Figure 8b. The new equilibrium is at E₁ in Figure 8b. Note that the return to risk has fallen (for any level of risk, the return E(N) is lower). Nevertheless, the leadership will decide to take more risk, as shown by the point E₁ compared to the original equilibrium at E₀. A sufficient (though possibly not necessary) condition for this result is that the utility function is homothetic. In that case, our basic result follows: the more extreme the goals of the group, the more it will tend to use extremist methods.

Of course mistakes are possible. Extremist methods might have been chosen by mistake. For example the curve may be mis-estimated so that civil disobedience i.e., moderate methods of pressure would actually have been sufficient. In this case, the production function actually has its critical point at a fairly low level of Z. But equilibrium (because of the mis-estimation) is at a high level of risk or extremism.

The capacity for mistakes implies that terrorists sometimes end up on the downward sloping portion of the curve in Figure 7. They go too far. Perhaps the most outstanding recent example is the killing of Aldo Moro in Italy in the 1970’s, which seemed to everyone, ex post, a mistake and after which support for the terrorists dried up and the era of terror ended (Drake ( )).
Ginsborg (1990)). However, recall that their basic objective was achieved in that the communist party never joined the government.

iv) Why can’t terror be eliminated?

The central question from the policy point of view is the following: Is it not possible that if one could raise $p$ and $f$ sufficiently, terror could be eliminated? Why cannot the state raise $p$ and $f$ sufficiently high so that “terrorism doesn’t pay” in the same way that Becker suggested can be done for ordinary crimes? Perhaps the most important reason is due to the indivisibility. This implies that the gains to the group if successful are so large that it may be impossible to deter them by the kinds of penalties that would be considered by civilized societies. Moreover, if the group is very far from its goal, as in Figure 3, the losses to the group from the penalty do not leave it all that much further away, again a consequence of the indivisibility. So we return to our basic point. *Basically, what limits the possibility of eliminating terrorism by punishment is the indivisibility.*

Other reasons can be elaborated if we recall that further work on crime, especially by Akerlof and Yellen (1994) and by Andreoni (1995) suggested that there were other limits to punishment besides the cost of the resources used in pursuing criminals and punishing them discussed by Becker (1968). The first is that too high punishments could lose the support of the community, thus reducing $p$, and the second, that juries might be less willing to convict in the case of capital punishment, since they would be more afraid of making an error. So on both counts, the limit to $f$ is that $p = p(f)$, $p’ < 0$. Now in the case of terrorism this limit is even more pronounced, essentially because the implementation of punishments which are “excessively” high is often exactly what the terrorists are hoping for.

The possibility that a critical mass or bandwagon effect takes place again differentiates the world of terror from the world of crime, namely that the key in terrorism is to increase support for the cause while no such goal—and no such dependence on an external audience of potential
supporters - exists in the world of crime. Support for the cause may increase if the state imposes penalties that are “too high”. So this provides another reason why ordinary, non risk-prefering leaders of pressure groups would choose terror over moderation.

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Consider bandwagon effects first. The possibility that a critical mass or bandwagon effect takes place again differentiates the world of terror from the world of crime, namely that the key in
terrorism is to increase support for the cause while no such goal— and no such dependence on an 
eternal audience of potential supporters - exists in the world of crime. Support for the cause may 
increase if the state imposes penalties that are “too high”. So this provides another reason why 
ordinary, non risk- preferring leaders of pressure groups would choose terror over moderation.

To understand this point, let us modify the simple model in equation (3) to include 
bandwagon effects. Thus let

\[ r = \text{the probability of an outcry or bandwagon effect which gains } +h \text{ to the group as the result of the} \]
\[ \text{overreaction of the state. Then the choice between methods becomes} \]

\[
(4) \quad qU (Z_0 + g) + (1-q) prU (Z_0 - f + h) + (1-q)p(1-r) U (Z_0 - f) + (1-q)(1-p) U (Z_0) > U (Z_0 + m)
\]

Clearly, the payoff to terrorist methods is larger, the larger the level of \( r \).

The other important social interaction that could be introduced is the probability of a violent 
response, not from the state, but from the group at the other extreme. This might result in losses to 
the group \(-l\). Alternatively it might produce gains \(+l\) if the reaction of the other group helps it in its 
cause. This is particularly likely to be the case if the objective of both extremist groups is the 
destruction of the centre.

To model this, introduce

\[ s = \text{the probability of a violent response from the group at the other extreme; and that this results in} \]
\[ \text{losses to the group } -l. \text{ (or gains } +l) \]

\[
(5) \quad s [qU (Z_0 + g) + (1-q) prU (Z_0 - f + h) + (1-q)p (1-r) U (Z_0 - f) + (1-q)(1-p)U (Z_0 +l)] + (1-s) [qU (Z_0 + g) + (1-q) prU (Z_0 - f + h) + (1-q)p (1-r) U (Z_0 - f) + (1-q)(1-p) U (Z_0)]
\]
Again, the effect is to make extremism more attractive if $l$ is positive, and the reverse if $l$ is negative.

The difficulties discussed above with eliminating terror through policing and sanctions leads to the consideration of other methods. There are three main classes of these: the first is that the state can reduce the gains to the group by providing alternative sources of social cohesion. The second one is to emphasize human rights, and thus to possibly reduce the control of the group over the individual. And the third one of these is to make the indivisibility divisible. These three methods are discussed shortly. But first let us turn to the comparative statics of the model.

(iii) Comparative statics

The model leads to the following predictions. The level of extremist methods chosen will be higher (+), or lower (-) when:

1. The probability that extremist methods will succeed is higher (implying a rise in $q$) (+)
2. The state’s capacity for repression increases (decreasing $q$) (-)
3. Perhaps most interestingly, suppose that the utility of the status quo to the group is less ($U(Z_0)$ falls). Here it seems that the model makes no prediction, contrary to the popular belief that this should positively affect extremism. So long as both moderate and extreme methods are available, a change in $Z_0$ affects both sides of equation (3) - (5) symmetrically. Only if extremist methods were the only ones available would a fall in $Z$ affect the calculus of disconsent.
4. The probability that state repression will lead to an outcry, which in turn, results in more repression is larger (+)
5. The probability that the violence of the group provokes a violent response from those at the other extreme is larger. This gives rise to two contradictory ripple effects:

1/ A multiplier effect which weakens the state (>)

2/ The possibility that the other side will win increases, making the group worse off than under the status quo (<).

6. The probability that non-extremist methods or moderate methods will produce the goal which is desired increases (<) Thus the existence of barriers to entry into normal politics, promotes extremism (>).

7. The possibility of forming coalitions with those in the immediate centre increases, (e.g., how quickly do losses to the group increase as the group changes its position and moves towards the immediate center?) (<)

8. The size of the group. The larger it is, the greater the likelihood that non-extremist methods will be successful in a democracy (<).

9. Social variables that are neglected in this strictly rational calculus. For example, if it is not possible to communicate with others outside the group (alienation) this might increase the likelihood of the use of extremist methods (>), or if norms exist that would be violated through the use of extremist methods, this would decrease it (<).

10. The position of the group --the more extreme it is, the less likely moderate methods will work and the more likely extremist methods will be chosen (<).

The difficulties discussed above with eliminating terror through policing and sanctions leads
to the consideration of other methods. There are three main classes of these: the first is that the state can reduce the gains to the group by providing alternative sources of social cohesion. The second one is to emphasize human rights, and thus to possibly reduce the control of the group over the individual. And the third one of these is to make the indivisibility divisible.

7. Making the indivisible divisible

In the last section I suggested some limitations on sanctions as a solution to the problem of terrorism. Other policies which might be used to combat it include policies that break the hold of the group over the individual, a subject discussed in more detail in the next chapter. For example, state provision of public goods and of transfer payments such as welfare, unemployment insurance, family allowances etc. may enhance the workings of families, firms and social organizations within the society and in this and other ways reduce the dependence of the individual on extremist groups. Another possibility is that the state can produce public goods. The more successfully it does so, the more favorably individuals may view the state, and the less they will be willing to join or take actions sponsored by organizations that are fundamentally hostile to the state and engaged in trying to weaken it19.

An emphasis on human rights might also reduces the power of the group over the individual. I treat this matter in considerably more detail in other work on the supply of suicide martyrs (Wintrobe (2001, 2005) but it is worth mentioning here.

The present chapter focuses on the demand for (rather than the supply of) suicide martyrs and for other forms of terrorist activity. The basic policy implication from this point of view would appear to be that to understand and to combat extremism it is necessary to take the objective of the group seriously, and to try to find ways to provide it to some extent and thus to satisfy the demands

19 A similar point is made by Berman
of moderates (people who condone moderate pressure) without going all the way to satisfying the extremists' demands. The way to do this is to “unbundle” the theoretically indivisible objective and to show that it may be met without the radical overhaul of society demanded, and without having to destroy one side or the other. Here are a few examples.

The advent of Keynesian economics in the 1930’s showed that the state could solve the problem of unemployment without giving up on capitalism. In this sense Keynes “saved” capitalism, as is often remarked. There is a certain sense in which communism is divisible, and its indivisibility a feature of its ideology and not of the goals to which that ideology is supposed to point such as greater freedom, security, more equality, etc. Thus while no society has ever “given to each according to his needs and take from each according to his ability” some societies do this more than others. And the instruments of the welfare state such as welfare programs, unemployment insurance, transfers to the poor, training programs, universal medicare and others all have the effect of providing some of the objectives of communism without comprehensive state control over the means of production.

In the same way problems of ethnic conflict have been solved in Canada and in many other states through institutions which give different groups a share in power. Thus features like federalism, the division of powers, checks and balances, features of proportional representation, etc. all give groups some power without satisfying what they thought was an indivisible objective. In the same way, explicit power sharing has long been a familiar feature of so called divided societies. Even in post – Saddam Hussein Iraq, the basic idea implemented with respect to the Shiites, Sunnis and Kurds in Iraq is to give each group a share in power.

Indeed in many societies where there are problems of conflict between ethnic or other groups, the solution sometimes advocated to them is to provide a division of powers among different levels of government. Indeed some advocate a form of group rights (Kymlicka (1995)), though this idea remains extremely controversial. Canada is among the countries which has
proceeded farthest along the lines of decentralization. Canada has gone very far in the direction of federalism and there is an elaborate division of powers between the different levels of government. Sometimes as in the case of Quebec, a linguistic (federal) minority controls a powerful provincial government. It is possible to use Jewish law in Canada to solve disputes (when both parties agree) and there is currently a movement to allow the use of *sharia* law for the same purpose. Thus the specific demands of religious and ethnic groups may often be accommodated within an otherwise secular democratic society. Of course, such an approach is not without its defects: one danger with this strategy is that, to the extent that it enables groups to prosper, the (possibly coercive) hold of the group on the individuals within it may increase. Presumably this is the logic behind the recent French legislation banning the display of prominent religious affiliations at public schools.

8. **Conclusion**

The basic point of this chapter is straightforward. Under certain circumstances, groups which take extremist positions on issues tend also to use extremist methods such as terrorism, violence and assassination, to pursue those goals. To understand why, we started with the idea that the basic difference between extremist methods of political competition and accepted methods is that extremist methods are usually risky. In that sense the chapter takes the same starting point in understanding extremism as Becker took in understanding crime. Indeed, extremist methods such as terrorism are simply politically motivated crime. Like ordinary crime, extremist methods can either succeed or fail and if they fail they often imply a retarding of the goals of the group and possible criminal prosecution and punishment. Indeed terrorism often represents the ultimate in crime, since, particularly in its modern form it often results in the deaths of innocent civilians and in any of its forms it represents a direct challenge to the state. Thus the state often reacts to it with the most severe punishments available.

Extremists in position adopt extremist methods when there is an indivisibility which
characterizes the relationship between the intermediate goal of the group and its ultimate goal. In
the chapter I look at three examples which represent the three most common kinds of extremism in
the twentieth and twenty-first centuries: Communism (control over the means of production is an
intermediate goal to the achievement of a communist society), Nationalism (control over territory is
an intermediate goal to the achievement of nationhood) and Islamic Fundamentalism (ridding the
Muslim nations of foreign and secular influences is an intermediate goal to the achievement of an
Islamic society based on 'sharia law). Metaphorically, in each case, the leaders of these groups are
in the position of someone starting out at the beginning of a long desert at the end of which there is
a mountain, and only when the top of the mountain has been reached can the group be said to
achieve its goal. The longer the desert, and the taller the mountain, the greater the temptation to use
extremist methods. Moreover, the larger the indivisibility, the more the group will tend to be
indifferent to sacrifices of human life by both victims and members, since the potential gains to the
group from reaching its goals will be large compared to any conceivable losses. In turn, conflict
between each of these and opposing groups (respectively, capitalism, other nations with the same
territorial ambition, secularism), in a sense, inevitable as it results from the conflict between their
ultimate goals.

On the other hand, extremists with divisible objectives—more income inequality, a cleaner
environment, fewer abortions, fewer controls on guns—do not typically use extremist methods. And
those who do, I submit, are those who tend to perceive an indivisibility, as in the case of anti-
abortionists who see the fetus as a complete human being at an early stage of development, or those
environmentalists who perceive a potential “catastrophe” and not a continuity in the level of
destruction of the environment. Thus, once again, the use of extremist methods follows from a
perceived indivisibility in the extremist’s position and is not a separate feature of preferences.

If correct, the chapter would appear to raise a troubling challenge to liberal theory. Freedom
of thought is central to liberal theory provided that democratic methods are used to pursue that goal.
If there tends to be a correlation between extremist positions and extremist (non democratic) methods, then it may be difficult for the state to combat the latter without imposing controls on the former. Such laws are in fact in force in some countries as exemplified by laws against “hate” speech. But how far can one go along these lines and still remain democratic?

The most important policy implication of the chapter is that one should look at the goal of the extremist group in order to understand its actions. The reason is that it is the purported indivisibility of the goal which explains the extremism of the actions, and if one can un-bundle the goal or make the indivisible divisible, then there may be ways to provide these goals in a way which satisfies some of the members of the group and thus dries up support for the grander ambitions of the leaders of extremist groups. In turn this policy implication shows the difficulties with the implication of the previous paragraph: the more one sanctions and prevents freedom of speech, the less likely is it that moderate forces will understand the goals of the extremists, and the more difficult it will be to satisfy their demands.
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<table>
<thead>
<tr>
<th>POSITION</th>
<th>METHOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extreme</td>
<td>Normal</td>
</tr>
<tr>
<td>Greens</td>
<td>Democrats, Republicans (Forza Italia Ulivo)</td>
</tr>
<tr>
<td>Al Qaeda Red Brigades Hamas</td>
<td>1920’s Italian fascism</td>
</tr>
</tbody>
</table>

Figure 1. Two kinds of extremism

(adapted from Galeotti (2002))
N = nationhood

E = even with no land, the Palestinians are “conscious” of nationhood.

C = critical point (where increasing returns region ends), as (some) Palestinians feel that this is the minimum they need to form a nation. (Some) Israelis feel that if they give them that much THEY won’t have enough land to constitute a state because their borders will be insecure. So C is the critical point for these two groups.

G = area where more land is still insufficient to provide enough space to enable the group to fully become a nation.

Figure 2a
Increasing returns in Palestine – Israel
C = Communism

At D, the state has sufficient control over the means of production so that C is possible, so D = critical point
At D, enough foreign or secular domination has been removed to make an Islamic society possible.
Figure 3 (Summary diagram 1). This shows the relationship believed to exist between pressure or terror and the level of the ultimate objective (Z) that is achieved.
Figure 4. The choice among methods of pressure is essentially a decision about risk.
Figure 5. How pressure translates into power. The possibilities are: Median voter, Interest group equilibrium, or Pressure vs Dictatorship (e.g., tinpot or totalitarian). Under most possibilities there is again a critical point (A). But this is not the case with a pressure group equilibrium, or with models where parties maximize votes, as in probabilistic voting models.
$\Pi_M = \text{the level of power produced by "moderate" methods such as civil disobedience}$

$\Pi = \Pi_0 \text{ or } \Pi_1 = \text{the level of power produced by extremist methods.}$

The figure assumes a linear relation between power and the *immediate* objective, either land, control over the means of production, or ridding the country of non–Islamic authorities.
Figure 7 (Summary diagram 2). Another way to see the relationship between pressure (or risk) and the level of the ultimate objective achieved. The figure shows an equilibrium ($E_0$) where the indivisibility is present.
Figure 8a. A movement to the right implies a more extremist position.

Figure 8b. A more extremist position implies greater use of extremist methods.