

Updated Essay: From Political Science Perspective.

RELIGIOUS EXTREMISM AS A THREAT TO ECONOMIC DEVELOPMENT.

OUTLINE:

1. Introduction:

Thesis Statement: Religious extremism poses severe threat to economic development. Religious extremist groups are nurtured due to illegal financial and moral supports from gullible followers. Religious intolerance can create social disparity and hinders human as well as financial investment needed for economic growth. The threat can be overcome by blocking illegal financial help, preventing youth from joining extremist group and easy rehabilitation of former combatants.

2. Religious extremism as a threat to economic development

3. Causes of economic decline due to religious extremism

a. Illegal financing and smuggling to religious extremist groups hinder economic growth.

b. Foreign Investment in economy is prevented due to terrorism engendered by religious extremism.

c. Youth being the major economic drivers gets prevented involved in extremist activities.

d. Major portion of country's finances are invested to counter religious extremism.

e. Religious extremists target key strategic areas of economic growth.

f. Extremist groups incite masses to rebel and hinders economic participation.

g. Extremist shows intolerance to current economic

system (capitalism) and promote it as unreligious.

g. Womens participation in economic development is halted due to shallow religious knowledge of extremist scholars

4. Effects of Economic decline engendered by religious extremism.

a. People shift to illegal activities due to economic crisis.

b. It leads to social jeopardy and chaos due to religious intolerance and economic instability.

c. Poor economic development due to economic decline

d. lack of economic opportunities ~~the~~ ~~ecos~~ creates brain drain from parent countries.

e. Economic decline creates class-disparity and extreme economic polarity.

f. It leads to injustice and unfairness.

g. People show pessimism and lose hope from the government.

5. The dangers of religious extremism on economic development can be mitigated by.

a. Blocking ^{illegal} financial support to extremist groups

b. Religious clerics should be thoroughly screened for public sermons

c. Facilitation and easy rehabilitation of former combatants

d. Prevention of youth from entrance in extremist groups through social collaboration.

6. Conclusion.

The divergence from geopolitics to geoeconomics in recent decades changes the International political and economic system. After the end of World War I and World War II, the International system saw non-conventional wars in the form of proxy wars and propagandas during cold war. However, the cold war ended with the rise of United States as hegemonic state but non-traditional methods of war rose to the acme with the help of globalization. Religious extremism has no boundaries and can flourish around the globe due to economic, social and political integration among countries. It poses threat to economic development by creating social chaos which leads to unpredictable economic growth. The financing of extremist groups through illegal methods disturb the national banking system. The government shift their resources to counter this menace and thus hinders economic progress. Moreover, major economic driver (youth) gets trap in extremist activities. Religious extremism prevents women participation in economy and creates gender disparity. Lack of economic opportunities creates brain drain from parent countries and disturb demography of the world. The damage can be mitigated by stringent banking system to block illegal transaction to extremists, thorough screening of religious cleres, prevention of youth from joining extremist group through public awareness and education and easy rehabilitation of former religious combatants. Religious extremism poses severe threat to economic development. Religious groups are nurtured due to illegal financial and

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moral support from gullible followers. Religious intolerance can create social disparity and hinders human as well as financial investment needed for economic growth. The threat can be overcome by blocking financial help and preventing youth participation in extremist groups.

Religious extremism hinders economic development. After the end of cold war, capitalism and liberal democracy came as an ultimate winner of almost five decades of war. Francis Fukuyama in his famous book "The end of history" demonstrates that the evolutionary process of the global political, economic and socio-cultural system ended with the rise of liberal democracy and capitalism. But after 9/11 attacks, the world saw a new shift in this evolutionary process. The rise of religious terrorism have far-reaching effects on every aspect of global arena especially economics. A report from Brown university in 2021 revealed that 20 years of War on Terror (WOT) have cost around \$8 trillion and killed more than 900,000 people. Furthermore, the use of religion against Soviet invasion of Afghanistan back fires to the global peace in the form of twin tower attacks. The rise of al-Qaeda, Taliban, ISIS pushes world leaders to allocate huge resources to counter terrorism at the expense of economic and social development.



Economic development is threatened due to illegal financing and smuggling to religious extremist groups. ~~These~~ To achieve the desired goals, these groups need funds and resources for proper military training and modern equipments. Their supporters provide basic necessities and finances through illegal means. The financial watch-dog Financial Action Task Force (FATF) placed Pakistan on the grey list in 2008 after being unable to take adequate measures to counter terror financing and money laundering. Furthermore, many extremist groups come from ethnic tribes and have cultural and tribal affiliation with their members. This moral support hinders their custody and imprisonment. The famous Tamil terrorist "Veerapan," who absconded for almost 35 years due to moral support of people until his death in 2004. Thus, financial and moral support to extremist groups threatens economic progress.

Moreover, local and foreign investors get reluctant to invest in religious extremist countries due to economic unpredictability. Pakistan due to religious extremism faces similar course. Many foreign investors avoid investing their shares in Pakistan due to terrorist engagement in the country. Multinational companies such as "Apple" and "Tesla" have not opened their offices and factories despite keen interest shown by Pakistan's government. Furthermore, various companies already working in the country are in rush to sell their

shares and leave the country due to rising economic and political downturn. In June 2022, "Shell", "Toyota", "Suzuki" announced to shut production in Pakistan and exit with stake of shares. Thus, major investors in the economy of any country alienate their participation due to extremist activities.

In addition to this, the youth gets involved in extremist activities resulting in less human resource driving the economy. Religious extremist groups manipulate naïve brains to achieve their rotten desires. Extremists target young children of marginalized groups and instigate them to their cause through online and print media. The arrest of young medical student "Naureen laghari" of IUMHS Jamshoro in 2017, who traveled to Lahore to join militant group connected through "Facebook" demonstrates militant groups open easy ways for young population through social media. Furthermore, lack of education provides easy way for extremists to manipulate young generation. There are almost 25 million out-of-school children in Pakistan (UNICEF, 2023). These uneducated young children are easy target of extremist to harbour their heinous goals and avoid their participation in the economy.



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Major blow to economic development is due to shift of the country's finances to counter religious extremism. The spillover effect of terrorism around the globe threatens global peace, due to which neighbouring countries allocate major portion of their finances to counter extremist activities. The War on Terror (WOT) in Afghanistan pushes Pakistan to allocate huge budget for defense department and strengthen countering mechanisms. According to some economists, the total cost of terrorism to the economy of Pakistan upto 2017-18 is around \$250B. Furthermore, many adversaries finance these rebellious groups to halt economy of their enemies. Extremist groups flourish due to foreign funding by other countries as seen at the time of Soviet Invasion and Global war. The arrest of an Indian Nationalist "Kalbushar Jadhav" alleged to be involved in terrorism in Balochistan demonstrates ~~the~~ inter-state economic and social involvement in religious extremism. Divergence of finances from economic development to counter extremism hinders the country's economy.

Not only this, but extremists further halt the economy by targeting key strategic areas for economic growth. Many countries attract foreign investors and companies to strengthen their economy by making several special economic zones to facilitate them. In order to go for the jocular of the country's economy, terrorism targets these strategic key zones to

~~into~~ create fear and jeopardy. The China-Pakistan Economic Corridor (CPEC) is a flagship project of China for "Belt Road Initiative" (BRI). Due to recent military attacks in neighbouring areas of Gawadar and Bilgit Baltistan along with target attacks on Chinese officials create mess between both countries. China emphasized Pakistan to uproot terrorist organization from the country for smooth functioning of the project. Furthermore, many non-governmental organizations for humanitarian purposes help the government in social services.


Rise of terrorism and extremism pushes these (NGOs) to exit from the country and puts pressure on the economy. The famous "Red Cross" organisation working in Afghanistan announced partial cut-off from the country in August 2023. Thus, the key economic areas of the country are targets of extremist groups to halt economic development.

These extremist groups hinders economic participation of minority and marginalized groups by inciting them to rebel against the state. Many religious extremist groups use marginalized groups to achieve their politicized ideology. The affiliation of Taliban and Pashtun ethnic groups for irredentism and establishment of Islamic Shariah within their jurisdiction shows nexus between extremist and rebellious groups. Furthermore, due to class distinction and category of second-class citizen, minorities groups inclines towards terrorist organization to grow their religious, ethnic or cultural

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ideology. The close nexus between ~~Father~~ Baloch separatist party (BLA) and Tehrik-e-Taliban (TTP) warned by Pakistani experts demonstrates rising threat the manipulation of emotional and ideological aspects of minorities within the country. The religious groups incite ethnic classes to wage war against the state and halt its economy.

Religious extremist groups dwindle economic progress by preventing women's participation. Women being the half of world population can participate in major fields around the globe, lack of which creates gender disparity and inequality. The recent statistics of Global Gender Gap Index (GGI) of 2023, Afghanistan is placed at last of the list of 146 countries. Furthermore, the key prerequisite for their economic participation is their educational and intellectual participation. Religious clerics due to their shallow religious knowledge hinders their right of education thus preventing their economic integration. After the withdrawal of United States in 2023, Taliban ban women's education in universities and colleges due to which they are facing huge international admonishment. The removal of women's economic involvement and educational engagement damages economic development.



The foremost cause for economic decline due to religious extremism is opposition to current economic system. Religious groups considers capitalism as unreligious and a threat to their religious and social ideology. Extremist groups advocate for removal of interest in economic system. The current global economy is majority dependent on interest rates and cannot be thrashed away. Interest rates plays crucial role in monetary policy control, consumer spending and inflation control. This can be illustrated with recent surge of interest rate in Pakistan to almost 22% in order to stabilize economic crisis. Furthermore, any assistance from government institutions ~~whether~~ in the form of policy making or judicial verdicts multiplies extremist activities. Federal Shariah Court of Pakistan verdicts to dissolve interest based economy from Pakistan completely gave a fresh air to extremist groups to halt economic development. Thus, conflicting economic ideologies of religious groups hinders economic progress.

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In these difficult times, country faces poor economic development due to economic and peace concerns. There will be less economic funds and assistance for development and infrastructure projects. Due to less interest in economic development, inflation, unemployment and currency devaluation follows the crisis. The GDP growth rate of Pakistan in FY2023 is 0.3%, well below the target of 5% set last year (Reuters, 2023). Thus, economic decline proves to be a buttress for poor development in key areas of the governance.

The lack of economic opportunities further creates brain drain from the parent countries. Many qualified people tend to migrate to more developed countries, which favours their career growth and development. The Bureau of Emigration and Overseas Employment (BEOE) Pakistan reports record-breaking 450,000 people left the country in first half of 2023, among whom most were highly skilled professionals including doctors, nurses, engineers, IT experts and accountants. Furthermore, this unchecked migration creates demographic shift around the globe. Host countries fear their national sovereignty, due to which certain checks and border restrictions are initiated creating rift between the states. The border dispute between United States and Mexico recently flared in Trump's administration due to huge migration of people in US. Thus economic crisis in country due to religious extremism pushes peoples to migrate abroad.

In addition to this, economic concerns strengthen class distribution and disparity. Due to economic uncertainty, people accumulate wealth, which results in class polarity between the poor and the elite. The global economic order supports capitalism which favors private ownership and can be altered by social involvement. The Global recession of 2008-2009 is example of economic order, when proletariat were pushed to the walls and the bourgeoisie were mostly unaffected. Furthermore, many experts believe that the current economic system supports class polarity and any blow to that system affects the poor more severe than the rich. Karl Marks was pioneer of Marxism which established the concept of the bourgeoisie and the proletariat. Thus, economic concerns of the elite due to any social chaos or intolerance results in deep class disparity.

This favourable environment for certain sects leads to injustice and unfairness. Due to economic polarization and lack of transparent economic development within the country, many institutions protect their interests. This leads to unaccountability and injustice. Many religious political party in Pakistan are held unaccountable for their revenues and finances demonstrating unfair and biased accountability. The federal board of revenue (FBR) Pakistan founded tax evasion by Maulana Fazal-ur-Rehman, who is still facing allegations. Thus, the economic crisis engendered by religious extremism creates legal disharmony and unfair.

The ultimate result of economic decline due to religious extremism is pessimism and loss of hope. Continuous extremist threats and economic woes makes people distrustful of their government. Recent studies shows that almost 67% of Pakistanis want to leave country amid economic and social concerns (Pakistan Institute of development Economics - PIDE, 2023). Furthermore, this lack of trust in government pushes people to stay back from front stages to relying on their fate. They loose hope on merit and transparent allocations, which prevent their active participation in economy. The huge saturation of young population in the fields of science, technology, engineering, mathematics (STEM) demonstrates decrease participation of students in entrepreneurship and business around the globe. Thus, young population observe pessimism due to economic decline and religious extremism.

The dangers of religious extremism on economic decline can be mitigated by strengthening banking system to block their financial support. Extremist groups get their huge support through their ideological kin with the help of illegal transactions such as "hawala" and "hundi." Countries should strengthen their banking system and favour easy transactions for people. Proper checks and balances, online mechanism and digital banking can flourish transparent and fluid economy. The steps taken for strong banking in Pakistan in 2019 paved its path for its removal from FATF grey list. Thus, blockade financial support

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to religious extremist groups can help mitigate economic downturn.

In addition to this, religious clerics who engraves seeds of extremism through public sermons should be thoroughly screened. The appointment of Imams and religious scholars in worship areas or masjids should be evaluated through transparent and federal body, so that the public rage and extremism ideology can be checked at initial stages. There are specific regulatory bodies for appointment of Imams in several muslim countries such as Directorate of Religious affairs in Turkey, Ministry of Islamic affairs in Saudi Arab and Ministry of Culture and Islamic guidance in Iran, which supervise and draft weekly sermons. Furthermore, there should be proper registration of seminaries and illegal Madaras should be sealed. According to Directorate of general of religious affairs Pakistan 250 seminaries in Islamabad out of 562 are without license. Proper evaluation and registration of Imams and Madaras can devolve religious extremism.

Moreover, easy rehabilitation of former religious combatants should be top priority for diminishing extremism. Many extremists prevent their exit from terrorism due to poor rehabilitation in society. There should be many pulling factors for former combatants to build counter-narratives and prevent others from

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Indulging in extremist organisations. Indonesia is one of such example, which involves in promoting counter-narratives through convicted terrorists.

Furthermore, Denmark have an action plan for providing easy exit strategies for those wanting to leave groups by helping in their education and jobs. Thus, facilitation of rehabilitation for those wanting to leave extremism can favorably combat new entries.

Furthermore, youth should be prevented to enter extreme ideologist groups through social collaboration. Young generation should be educated with severe consequences of extreme ideologies through proper education and training, minimising influence of extremist propaganda. Local authorities, international partnership and civil society along with collaboration of parents and social groups can prevent their entry. Flaxus model follows triangle of prevention through direct (preventing active participation), Anticipatory (preventing vulnerable population to radicalization) and Preventive (promoting social skills and sense of responsibility in youth). The major economic driver should be prevented to recruit in extremist groups.

In a nutshell, extremist groups ~~can~~ hinders economic development by preventing investment, development and social services. Inste people to rebel against state, recruit youth and hit the economy where it hurts the most by terror financing and illegal transactions. This results in

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social injustice, chaos and fear. People tend to gain interests through criminal activities. However, this menace can be mitigated by decreasing extremists groups by transparent appointment of religious scholars in seminaries, building strong banking system and preventive recruitment of youth through social collaboration.

"Never be extreme regarding religion, many nations before have been destroyed before you, only because of extremism in religion"

(Prophet Muhammad PBUH).