

Global terrorism and its impact on business

Mohd Ashraf Ganaie
Political Science

Research Scholar, M.P Institute of Social Science research Bharatpuri, Ujjain-(MP) - 456010 (India)

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*Corresponding Author

Email: ganaiemohdashraf[at]gmail.com

ABSTRACT

Global terrorism is an occurrence of the 20th Century. Nowadays a few countries can claim resistance from attacks on non-combative targets. We the people of the post-cold war era have full-grown up with and almost become used to the vision of acts of terrorism as disastrously being part of someone's daily life. If it does not affect us indirectly, we see the result on other people on the TV. When a bomb in a village marketplace put, on an airplane, in a building, or on a bus wounds or kills guiltless victims who have done the perpetrators no harm, the disapproval of the acts of terrorism is even louder and the sense of indignation even greater. It is not an incorrect announcement if we call the present era as era of terrorism or even Ages of terror. Fear is almost affected all part of our life from the mind up to our global and global surroundings. Tourism has emerged as a tool for generating substantial economic profit to both swarm countries and tourists' domicile countries. The main benefits of going to places of interest to a country are foreign exchange wages, tax revenues, and business opportunities for entrepreneurs and service age group for workers, poverty alleviation and sustainable human growth in the industry. The fear of terrorism is growing large in our daily life. There are a number of case studies behind, where these terrorist attacks have caused several problems for tourist activity in a country including India.

1. Introduction

The most instant and measurable impact of terrorism is physical destruction. Terrorists destroy existing plants, machines, transportation systems, workers and other economic resources. On smaller scales, acts of terrorism may blow up cafes, churches or roads. Large-scale attacks, most infamously the World Trade Center bombings on Sept. 11, 2001, can destroy billions of dollars' worth of property and senselessly kill thousands of productive workers.

The impact of terrorism and war is always negative for the economy, and physical destruction is a large reason why. Productive resources that might have generated valuable goods and services are destroyed. Even if you do not live anywhere near terrorist attacks, you might still be negatively impacted ultimately. This is because all kinds of markets hate indecision, and terrorism creates a lot of it. The financial markets exactly shut down after Sept. 11, and did not really make progress until months after the 2003 invasion of Iraq. There are two evident industries especially weak to the effects of terrorism: insurance and tourism. Not all insurance companies pay out in the event of international terrorism or foreign wars, so the impact is likely less than you might first expect. Nevertheless, terrorism is risky business for everyone, and insurance companies hate risk as much as anyone else. On a broader scale terrorism hurts international trade. This may be due to imminent threats, such as compromised trade routes and distribution systems or because of the psychological and physical reactions to terrorism. This also means less foreign direct investment (FDI), especially in unstable countries. (vivek chadha,2015) Terrorist attacks deeply affect the economic activity and they have long-term effects on investment, perpetuating this impact over time and affect the rest of the economy. For example, in 2013 the 10 countries

most affected by terrorism had declines in GDP between 0.5 and 0.8 percentage points. Worse negative impacts continue for many years after the attack, lasts up to five years as the effects disappear. Terrorist events have adversely affected also the mature economies. For example, the 11 September 2001 attacks in the USA, in 2004 in Spain or in 2005 in the United Kingdom had significant negative effects on economic activity and infrastructure costs. Terrorist attacks, rapid, precise and with fixed targets, also affect the tourism worldwide,

Involving citizens from many countries and greatly affecting tourism activity. Tourism suffers when terrorist attacks are prolonged, especially when tourists are targeted, they being seen as ambassadors of their country. Terrorists are aware of their actions, the importance of their actions, and the impact they produce on the population in terms of tourists kidnapped or shot. For tourism, the effect of terrorism was substantially. Annually, over five million Americans visit Europe, but in time approximately 60% of American tourists have cancelled bookings to Europe due to terrorist attacks. The World Tourism Organization estimated that the losses in terms of international tourism receipts are approximately 105 billion dollars. The terrorist attacks carried out on a state are perceived by tourists as a risk to the entire region, so there is the possibility of a decline in tourism to the country where the attack occurred, but also for its other neighbors. The media is an important factor in determining the tourist behavior regarding terrorist threats, for example in some states it serves terrorist interests (TV station Al Jazerra). Following the attacks of 11 September 2001, tourism was influenced in all regions of the world. Also, the development of world tourism was reduced, while international arrivals fell by 0.6% under the effect of terrorist attacks and economic slowdown of major tourism markets issuers. (Gabriela, Irina, 2016).

2. Objectives

- ✓ To study the laws or supplies related to terrorism.
- ✓ To study the impact of terrorism on different sectors such as productivity, business tourism, IT, oil and gas assurance.
- ✓ To know how other economies have fight tourism.
- ✓ To know how well the Indian government deals with terrorist attacks its result.

3. Research Methodology

The purpose of research methodology is to provide a sound platform for the researcher to achieve the aim and objectives of the study. Present study work is a descriptive and analytical research the secondary data for the study has been drawn from various magazines such as Business Today, Books, Magazines, Journals and Newspapers.

4. Description

The up-and-coming trend of terrorism in the contemporary world has become a subject of concern both at national and international levels. The increasing number of terrorist organizations across the world has become one of the major impediments to global peace and security. Acts that is now referred to as terrorism have historically remained part of the organization tools for addressing violent conflicts in the fifties and sixties, terrorism was a famous instrument used by both sides in radical or liberation struggles across the globe, be they in Asia, Africa, Middle East or Latin America. For example Global Market Institute (GMI) Poll conducted in 2006 among 8,001 respondents in US, Canada, France, Germany, Italy, UK, Russia, and Japan, showed that the fear of terrorism is the preeminent issue in all G8 countries. (John Olanrewaju, 2015). Terrorism is spreading like wildfire in every part of the world, and its impact reverberates beyond the location of the actual incident. Thus, the growing incidence of terrorism has become a fundamental security concern to states. International terrorism remains a serious and on-going Threat. Terrorism risks and responses, by dean C Alexander he states that "terrorism is implications on business merits closer scrutiny given its relation to economic scrutiny. Terror metamorphoses business, causing firms to deal with current threats and craft plans to reduce future challenges. Terrorists weaken industry and society through their manipulation of economic systems components, companies, nonprofits, labor, capital and technology against their targets. (D Michel L Richared, 2009). India's economy has been one of the stars of global economics in recent years, growing 9.2% in 2007 and 9.6% in 2006. Growth had been supported by markets reforms, huge inflows of FDI, rising foreign exchange reserves, both an IT and real estate boom, and flourishing capital market. India economy, the third largest economy in the world, in terms of purchasing power, is going to touch new heights in coming years. As predicted by Goldman Sachs, the Global Investment Bank, by 2035 India would be the third largest economy of the world just after US and China. It will grow to 60% of size of the US economy. The country has never been as terrorized as it is now. There have been various terrorist attacks in different parts of the country. Be it in Delhi, Mumbai, Punjab, Assam, Jammu and Kashmir, etc. hardly any state has been left from the attacks of the terrorists on the innocent people. Terrorism left

no part of the country untouched, having made in-roads into the south by attacking Bangalore and Hyderabad, Ayodhya, Varanasi, Lucknow, Ahemdabad; etc. There has been increase in terrorist attacks from across the border in recent years. Repeated terror attacks have undermined citizen's security. Overall taking all forms of violence together, 2004-08 witnessed 25,042 incidents and 6,646 casualties as compared to 36,259 incidents and 11,714 casualties during 1999-2003. Mumbai has been the most preferred target for most terrorist organizations. (Jaiswal Ankur, 2012). Mumbai in India has been a tempting target for jihad terrorists since 1993. The 13 bomb blasts that occurred in public places on March 12, 1993 killing 257 people and injuring nearly thrice as many in March 1993, the places where the blasts took place include the stock exchange building on Dalal Street, the Air India building in Nariman Point, three hotels (Sea Rock, Juhu Centaur and Airport Centaur) besides crowded markets. The targets chosen were of economic significance, such as the Mumbai Stock Exchange building, the office of an airline, a hotel near the airport, etc. Terrorism, unarguably, is the biggest, most complex, and complicated social phenomenon that has threatened peace and stability across the globe. It is an unconventional approach used to achieve primarily political goals through acts of violence, sabotage, or threats made against a state, organization, or social group with the purpose of producing a sense of psychological and generalized fear, with the aim of intimidating among the civil populace. Terrorism according to the Institute for Treatment and Services Research (ITSR) has been described variously as a tactic and a strategy, a crime and a holy duty; a justified reaction to oppression and an inexcusable abomination. Terrorist activities yield not only human and physical losses but also generate an array of psychological, social, political, and economic damages in target countries. (T John, Okpa 2017).

5. Conclusion

Global terrorism is an occurrence of the 20th Century. Nowadays a few countries can claim resistance from attacks on non-combative targets. We the people of the post-cold war era have full-grown up with and almost become used to the vision of acts of terrorism as disastrously being part of someone's daily life. If it does not affect us indirectly, we see the result on other people on the TV. When a bomb in a village marketplace put, on an airplane, in a building, or on a bus wounds or kills guiltless victims who have done the perpetrators no harm, the disapproval of the acts of terrorism is even louder and the sense of indignation even greater. The greatest challenge confronting the global community is the problem of terrorism, which creates fertile ground for other social problems to thrive. However, the effect of terrorism varies from one region to another. The increased terrorist attacks in recent times are colossal and is a great challenge to security, peace, unity and development of the world. Besides terrorism instilling constant fears, and destruction of lives and properties, it has threatened the existing global peace and development. It is instructive to note that terrorism could be likening to getting rid of grass in one's garden but that does not imply it will not grow again. Therefore, there is the need for constant weeding of grass of terrorism both at national and international levels in order to achieve sustainable development goals against this background. The results show

that the terrorism has an impact on of economic growth the increase in the number of the terrorist attack would definitely going to reduce the GDP growth rate. But in the case of India there is no relationship found between the real GDP growth rate and the terrorist attacks. According to Hess and Veerapana if there is democracy in that specific area and it is high income country that there would be no impact of the

terrorism on the economic indicators. But India is the middle income country than we can say that the developing country then we can say that the developing country with the increasing income rate the impact of the terrorist activities don't have any impact on the GDP growth rate. But terrorism of India co-moves with GDP growth rate of India.

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