

## Social and Economic Aspects of Extremism and Terrorism and Reasons for Their Emergence

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### Abstract

Terrorism in all its forms and manifestations and its scope, intensity, cruelty has now become one of the most acute and topical problems of global significance. The article deals with conceptual measures for strengthening the fight against terrorism and extremism financing, effective work with the private sector on providing information necessary for detection of the activity connected with terrorism and extremism financing. This work analyses the increasing level of awareness of representatives of public and private sectors and strengthening of the role of financial intelligence for the use of reconnaissance data as a dominant way of fight against terrorism and extremism. It has been determined that in such circumstances effective fight against terrorism and extremism as the extraterritorial phenomenon has to have a complex character, combining efforts at universal, regional and interstate levels. As experts note, the measures taken only at the national level will have a limited effect. For safety insurance, each state needs international cooperation. It has been established that in Israel in order to prevent crises and mass protests, they use in practice the positively recommended Israel's experiment of information exchange of law enforcement and special bodies with leaders of public opinion (authoritative persons, elders), representatives of official clergy, mass media and NGO by means of WhatsApp mobile application in online mode about the events having a public response. It is established that all interested private structures and government bodies have to reach a compromise in the strategy of ensuring a reliable system of counteraction and development of countermeasures according to the solution of anti-terrorist actions.

**Keywords:** Financial System, International Standards, Money Laundering, Investment Organisations, Transactions.

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## Introduction

The cardinal reforms, which are carried out in Kazakhstan, dictate the need for the creation of a strong legal basis of the state and public life under conditions of the sovereign and independent state formation. The modern transition period based on stage-by-stage development of the market relations and the formation of the long-term base in all areas of activity of the Kazakhstani society is impossible without normal functioning of economic activity (Conway, 2017).

One of the most widespread myths about terrorism and extremism is the opinion that only the people of poor and dysfunctional families become terrorists. Because of this assumption, there is a stereotype about the impossibility to overcome terrorism due to poverty, hardship and unemployment. Therefore, it is initiated to increase the economic help to the countries, whose income per capita is lower than the poverty level, where tens of millions of people suffer from malnutrition or hunger. According to supporters of such an approach, the industrialised countries have to share their wealth with poor states, send there enough food, medicines and other vital goods. It is precisely a fact that explains the way the industrialised countries will be able to avoid the threat of international terrorism (Rothenberger et al., 2018). According to supporters of such a position, the connection between poverty and terrorism is obvious. Poverty gives rise to despair, and the desperate person easily resorts to violence about those whom he/she considers responsible for the troubles. If these formulae were right, the number of terrorist groups would not be estimated in thousands, but in millions today. There are billions of poor people in the world, but several thousands of terrorists. Why does the population of the economically underdeveloped states not become the mass of national and international terrorism support? The answer to these and other similar questions is one – the connection between poverty and terrorism exists, but this connection is indirect. The person being in

need of food, clothes, the housing can take a course of violence by two reasons. First reason – he/she does not see an opportunity to find a legal and stable source of income under conditions of mass unemployment, a deep and long economic crisis in the country. Such a situation is characteristic for the underdeveloped countries. Second reason – in the presence of working places, the lack of knowledge, qualifications, skills, a habit of hard physical work, and the absence of a desirable work, push the person, especially young person to find a guilty one. The guilty people are usually found among the representatives of minor nationalities who are the citizens of the same state, or guest workers, immigrants, refugees who took shelter in the country. The violence or threat of its application in different forms and even murder can be used against guilty people, which is always based on interethnic hostility (Woodford and Smith, 2018; de Stefano, 2017).

Fortunately, only the small part of the people living in poverty and need demonstrate the tendency to extremist actions and terrorism, as a rule, such people, according to their mentality, perceive injustice emotionally, they do not accept it, they are intended to fight against people who are responsible for such situation, and they are people who are predisposed to violence. Such groups of people make up the bulk of the terrorist organisations. Before joining to terrorist organisations, they have already had an experience of street collisions with security forces, violence about representatives of other social groups and nationalities.

## **Especially to Prevent Terrorist Attacks**

Therefore, it is possible to conclude that poverty is not the reason for terrorism. It is a cultivated land for the rise of terrorism (Pankova and Taranukha, 2010). It is obvious that international community should pay special attention to the importance and need of use of certain international standards for the fight against terrorism and extremism financing, to the identification of the weak spots for ensuring effective fight against certain

aspects of terrorism financing. The disorganisation of terrorism and extremism financing is a key point of the successful fight in general. The fact that the terrorist organisations need financing allows the developing of the accurate strategy of fight against terrorism and extremism based on suppression of financial support of any activity concerning terrorism and extremism. Financing suppression will allow to weaken the terrorist groups, limit their acts of terrorism, increase the operational costs and contribute a considerable share of risk and uncertainty of their activity, providing tactical advantages for authorities such as:

- the decrease of the fighting spirit of terrorists, the undermining of their leaders' reputation;
- the forced moving of terrorist groups to vulnerable areas including areas in which they would not be in any other case.

The prevention of terroristic acts only due to suppression of financial operations of terrorists is a very complicated task. Recent acts of terrorism showed that expenses on their organisation and implementation could be insignificant, for this purpose, the legal means can be used, and activity connected with the financing of terroristic acts does not cause any suspicions. Therefore, it is necessary to remember that expenses on the implementation of terroristic acts make a small proportion of the means necessary for the terrorist organisations (McIlhatton and Monaghan, 2018). The blocking of the financial flow will lead to restriction of the means, which are used for terrorism and extremism propaganda, recruitment and assistance. Such measure with the lapse of time will certainly limit the terroristic acts.

In most of the cases, the funds are necessary to terrorists for the creation of the favourable environment for their activity, and not only for implementation of acts of terrorism. Suppression of the activity connected with terrorism financing will create unfavourable conditions. Even the most effective actions of

the authorities for terroristic acts prevention will not bring expected results. Nevertheless, the financial blocking deteriorates the effectiveness of terrorist organisations activity, limiting and reducing the spheres of their influence and productivity. Terrorists use both legal and illegal methods for the financing of their organisational and operational needs. The measures taken by the international community to a fight with specified types of activity are developed taking into account all features of each method (Ilardi, 2018).

To find a connection with terrorism and extremism within the frame of any financial activity, investment industries have to apply the FATF standards, strictly observing the principle of an individual approach to the client and measures of their proper check (CPCM). Observance of the specified principles and measures is extremely important for providing reports about suspicious transactions, which could be the result of a criminal activity connected with the support of terrorism and extremism.

### **Mechanisms for Determining Financial Terrorism**

To support investment industries in fight against terrorism and extremism financing, the governments of the different countries have to develop the programs for target financial sanctions usage, protection of vulnerable sectors (including charitable sector and the monetary service organizations) and to stimulate the submission of the reports about suspicious operations allowing the receiving of positive results.

All these measures are necessary to deprive terrorists and their network of the means for the maintenance of normal activity and infrastructure. The countries are obliged to protect the financial sector against the possibility of legalisation of the money received by the criminal way for terrorism and extremism financing. The special recommendations of FATF VII were developed to prevent free access of terrorists and other criminal elements to systems of electronic fund transfer and to detect the cases of such

systems abuse. The aim of the recommendations is to obtain immediate information about the sender of an electronic fund transfer by: (1) appropriate law enforcement agencies or bodies of prosecutor's office in order to facilitate investigation of illegal activity, to pursue the terrorists and other criminal elements, and to find their assets; (2) departments of financial intelligence for the analysis of suspicious or unusual activity and distribution of the relevant information; (3) charitable organizations receiving donations in order to find and report about suspicious transactions. Nowadays the analysis of the practical experience of the counterterrorist organisations would allow the definition of the basic signs of the transaction, which is connected with terrorism financing. The variety of the methods used by terrorists and the versatile nature of their financial activity complicate this task. Despite difficulties in defining of the basic signs of the financial activity connected with terrorism and extremism, investment industries can allocate unusual transactions to submit the report about suspicious transactions. Sometimes investment industries do not fully realise that the reports about big cash transfers, electronic fund transfer and international currency transactions can help law enforcement agencies to receive terrorist activity information.

Public authorities can help the financial sector with the definition of cases of terrorism and extremism financing and suppression of such activity, supplying them with reconnaissance data. It is not enough to have financial information for detection of the activity connected with terrorism and extremism financing. The use of financial information in combination with information of the financial intelligence received as a result of supervision over activity of terrorists, and terrorist networks can help investment industries to define the potential cases of terrorist activity irrespective of the legal or illegal sources of means, which are used for this purpose. In general, experts of FATF think that effective exchange of information between state and

private sectors is one of the key principles of the fight against legalisation of money received by the criminal way, and financing of terrorism with use of the approach based on a risk assessment. According to the requirements of modern standards of financial activity conducting, investment industries have to trace the signs of illegal financial activity constantly and notify about it the department of financial intelligence (DFI).

The DFI, in turns, unites the financial information provided by investment industries with information on law enforcement agencies and information agencies. The DFI can find cases of terrorism and extremism financing even when financial institutions are not able to identify the connection between suspicious activity and terrorism and extremism accordingly. Analytical function of DFI of activity detecting connected with terrorism and extremism financing was strengthened due to the combination of the financial, and intelligence information received from law enforcement agencies and information agencies. Moreover, DFI started to help to information agencies, providing financial information for them. Reports, which do not contain signs of the activity connected with the financing of terrorism and extremism in combination with the relevant intelligence information help to establish the missing details.

Having made the analysis of all messages about the suspicious operations (MSO) concerning cases of terrorism and extremism financing for a certain year, the staff of DFI found out that some of the MSO did not have direct signs of the activity connected with the financing of terrorism and extremism. However, information in MSO helped to find additional accounts and the persons connected with those who were involved in the financing of terrorism and extremism investigated at that time. The employees of DFI analysed the transactions made with the use of such additional accounts, sent to law enforcement and intelligence agencies the detailed information about persons, and accounts which, according to DFI

helped to investigate the cases of terrorism and extremism financing.

### **Financial Information as one of the Effective Tools for Investigation and Intelligence**

Financial information became one of the most powerful instruments of investigation and intelligence. Being the part of the financial system, money leaves the trace that in many cases allows finding illegal activity, to define the guilty people, to find and return the means received illegally. Introducing well-known international standards of counteraction to money laundering and terrorism financing (CML/TF), investment industries and other special non-financial organisations began to use the principle of an individual approach to the client and to keep an appropriate account. In recent years, the value of financial information during the process of anti-terrorist investigations was tangibly increased.

Nowadays the financial information is included into the evidential base necessary to bring the criminals and terrorists to book, allowing law enforcement agencies:

- to do the retrospective analysis to understand how the criminal plan was made and realised, and to establish its chronology;
- to analyse the current situation, finding or confirming connections between persons and criminal activity (even if it is carried out abroad) that often allows identifying new areas of investigation;
- to take preventive measures, finding signs of the planning crimes or acts of terrorism.

Financial information is suitable for the solution of the specified tasks due to its sufficient concreteness, the simplicity of processing (with the help of appropriate means) and receiving it (without the creation of special inconveniences for her owner). The analysis of the "financial traces" left by terrorists often allows identifying the time, place and manner of the planned and executed terroristic acts. Financial information appeared to be a reliable source of data about past events, which can be received

by investigating authorities even when all terrorists were lost during the commission of terroristic acts. Nowadays traditional methods of investigation are aimed at detection of connections between individuals and groups due to the contacts made by them using various types of communication.

Tracking of cash flows can give a similar result: financial intelligence information can be used for detection of terrorist activity and tracking of connections between individuals and groups, and comparison of the used methods and approaches. Using additional intelligence information, it is possible to find criminal elements, which could be unnoticed. Therefore, the probability of successful implementation of acts of terrorism is decreased. It is rather difficult to find the planning activities of terrorism only using the analysis of financial activity. Nevertheless, opportune detection of the appropriate financial factors can play a crucial role in search of signs of terrorist activity. On the example of the concrete case considered below, it is shown how using materials of financial investigation the evidence of the planning activities of terrorism was received.

For example, an analysis of a concrete case: definition of signs of the planning activities of terrorism. The person suspected of cooperation with "al-Qaeda" for the financing of deliveries of the parts of explosive devices to other country used a set of the accounts opened on different names. This criminal activity was found as a result of the large-scale financial investigation which allowed law enforcement bodies to establish that:

- the routes passing for concealment of the real destination through a set of the countries were always finished in the same country;
- the small, at first sight, and harmless components intended for improvised explosive devices were transported to the same country by the international delivery service for many months;
- the number of transfers was made into accounts controlled by the suspected

person's accomplice that said about a wide range of the persons involved in this process.

No doubts, the suspected person carried out the financial activity excluding the possibility of the subsequent check. The process of the transaction analysis revealed that the accomplice acted in close contact with the suspected person, sending money to the same third country using the third parties living in the different countries. With the increase of intelligence information, it became clear that suspected person and his accomplice delivered components of explosive devices and money to the same country. The suspected person was arrested in the improvised shop of production of explosive devices by law enforcement agencies of the country where he was. Therefore, the financial needs of terrorists can be very high. Though costs of implementation of some recent acts of terrorism were insignificant, it is necessary to remember that besides direct costs of implementation of acts of terrorism, modern terrorist groups need means for the financing of different types of the actions necessary for the development of the organisation and ideology. Detection and suppression of terrorism and extremism financing, provide for terrorists unfavourable conditions, limiting their opportunities. Terrorists attract and move money, applying well-known methods, with each of them it is necessary to fight using various means (Financing of terrorism...)

### **Features of the Evolution of Terrorism and Extremism**

It is important today to remember that terrorism and extremism not only outgrew a framework of national borders and assumed a global scale, but they continuously evolve, take all new forms and methods and represent powerful structures with considerable financial and economic opportunities. Here, we see the presence of geopolitical aspirations of the foreign states, their subversive activities, attempts of leaders of extremist movements and organisations to extend their influence on states and regions. Here we see ambitions of

criminal authorities and unresolved problems of many social and economic aspects, lack of regulation of crises and conflicts of interests in various spheres of the public relations plus nationalism, radicalism and separatism. All these issues in total identify the object of powerful influence, the threat that is local by its duration, consequences, geography and by the degree of public danger. It is obvious that in such circumstances effective fight against terrorism and extremism as the exterritorial phenomenon has to have a complex character, combining efforts at universal, regional and interstate levels. As experts note, the measures taken only at the national level will have a limited effect. For safety insurance, each state needs international cooperation (Akhmetov, 2014).

Therefore, despite obvious and large-scale achievements, it is possible to note the existence of the serious threats to the world stability and, in particular, to regional security in the Republic of Kazakhstan which is on a geographical joint of terrorist oppositions today. A great number of well-known basic problems of regional character is lying on the surface. At the same time, practically all of them have the deep roots caused by historical, political and socio-cultural factors of development with huge destructive potential. Nowadays it is strategically important to develop constructive mechanisms of the solution of the regional problems for prevention of potential contradictions between the states of Central Asia and their neighbours (Dosanova, 2012).

Being in the centre of terrorist and extremist threats, the Republic of Kazakhstan needs an appropriate legal assessment of counteraction of such destructions, raising the key questions: how to resist, what mechanisms are powerful and effective. Therefore, it is necessary to consider the conceptual legal norms developed by the world community, which pay attention to the modernisation of law tendencies and to methods of fight against terrorist actions, which must be applied in the Republic of Kazakhstan since they proved their efficiency in

counteraction to terrorism and extremism financing.

### **Terrorist and Extremist Threats in Israel**

It is important to find the most interesting, and effective method which was approved in the sphere of regulation of fight against terrorism and extremism in traditional legal systems of such states as, for example, Israel (Mattsson, 2018; Hodwitz, 2018). In Israel, the security service, army, police, the Ministry of Foreign Affairs and management of prisons fight against terrorism. There is no Constitution in Israel; however, the main norms of the legislation, defining human rights, have a hierarchy of constitutional laws. By terrorism, Israel understands the intention or threat of violence against civilians and civil objects for the achievement of political goals or change of a political policy. It is known that there are four groups of suicide terrorists based on political, religious, psychological and sociological convictions.

Therefore, Israel allocates such motivations for the commission of acts of terrorism as the national or ethnic conflicts, fight for power and attempt to change the system of the power, religious and ideological, and extraction of a political benefit. The experts of Israel divided suicide terrorists into four prototypes: religious fanatics, fanatic nationalists, Avengers and controllable people. In basic items of the Israel legislation, among traditional methods of fight, there is such an approach as pointed destruction of terrorists. Pointed destruction is one of the basic methods of fight against terrorists. Israel uses this method in practice despite the world community's condemnation.

Pointed destruction occurs without the pronouncement of the judicial act, and after the completion of the operation, the bodies of military prosecutor's office check the legality of the made decision. It should be noted that this measure is applied in exceptional cases when there are no other opportunities to destroy terrorists. Special services of Israel use general conceptual terminology that provides coherence of the carried-out antiterrorist measures. There is a concept of a "Gold hour"

that means if to do the correct actions in due time, it is possible to regain control over the situation and to save people's lives. Crises for the law enforcement and government bodies, involved in the fight against terrorism, are divided into degrees of danger allowing to coordinate the events, their forecasting and prevention: unexpected event; can occur everywhere; dramatic changes in the existing situation; serious consequences.

In Israel police there are departments of negotiators who carry out functions based on the Instruction to: maintain and manage of negotiating; consult the leaders how to negotiate; implement the intelligence activity.

The headquarters of negotiators give to the leader of anti-terrorist operation the written recommendations for the plan of actions. Law enforcement agencies carry out practical training constantly; practice the known scenarios on prevention of acts of terrorism, management and coordination of the involved forces with the application of special means and the equipment. The main condition of the safety of the state objects, educational institutions and the industries is vigilance of every person who is inside of these buildings. Explanatory discussions about the purposes of the separate terrorist organisations, lectures on safety issues with concrete examples from the past are regularly provided with its careful analysis and practice of behaviour of the pupils, teachers and public servants.

In order to minimise the risks of negative consequences of power structures activities while liquidation of public disorders, the specific substances (foam, liquid, powder, etc.) with a pungent smell are used, which do not harm the health of the person, but make the protesters to leave a place of mass disorders. It is important to point out the system of financial monitoring of Israel, which provides efficiency of counteraction to the financing of religious terrorism. Information system about the sub-registered people (who are the adherents of the extremist or terrorist movements) which is integrated with operating systems of financial monitoring (Lexis-Nexis program) provides

immediate informing about completed financial operations, allowing stopping the financial operations before money transfer.

By Israel experience of the fight against terrorism and observance of constitutional rights of citizens, we believe it would be expedient to bring the following anti-terrorist measures:

- To work out the introduction in the criminal procedure legislation of methods of polygraph research to choose a measure of terrorist crimes restriction. Thus, the results of a polygraph should not be applied as the proof of criminal cases. It should be used as one of the legislative measures for prevention of violation of constitutional rights of citizens while choosing the measure of restriction;
- For prevention of crises and mass protest actions, we believe it would be expedient to use in practice the positively recommended Israel's experiment of information exchange of law enforcement and special bodies with leaders of public opinion (authoritative persons, elders), representatives of official clergy, mass media and NGO by means of WhatsApp mobile application in online mode about the events having a public response;
- It would be expedient to use in practice the Israel's experience of the volunteer movement, taking into account features of the existing domestic legislation (police, kindergartens, medical institutions) for the formation of social principle of "zero tolerance" to a disorder and offenses, patriotic and active participation of citizens in protection of a public order, system of preschool education, and first medical aid;
- The experiment of Israel is needed in the building of the technical constructions (TC) or the boundaries of the main engineering constructions

(BMEC) for protection of the state's borders (fences, alarm system, etc.) and their use in protection of penal institutions of the country (Nyrgazinov and Zhakayev, 2018).

## Conclusion

The international experience is shown that terrorist structures adapt to the changing realities quickly and find new ways of implementation of their activity. The world community has to accept adequate and opportune measures, make common efforts in the use of the reliable and effective mechanism of terroristic acts prevention. Prevention is a prior strategy of counteraction to terrorist and extremist manifestations. Young people should inculcate the main canons of education, culture, religious values in its correct understanding. It is necessary to pay attention to the interaction of government institutions, civil society and religious associations. This mechanism is capable of concentrating the prerequisites of recruitment and ingress into the network of terrorist structures.

All interested private structures and government bodies have to reach a compromise in the countries around the world; Kazakhstan is not the exception. Such strategy provides the reliable system of counteraction and development of counter-measures according to the solution of anti-terrorist actions. Scales of threats and forecasts of development of fight against this phenomenon define the importance of the conference, roundtables, negotiating at various level, with the invitation of representatives of the clergy, scientists, practical workers, and mass media. All this will lead to the general coordinated and effective methodology of the fight. It will not eliminate the reasons of terrorism manifestations but stop its further distribution, will raise and strengthen the positive image of a civil society realising the protection of interests of society and state.

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