Impact of criminal act of terrorism on economy

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Abstract; The crime of terrorism is one of great evil. The research aims to identify the impact of criminal acts of terrorism on the economy which resulted in economic losses in the last two decades. The economic effect of terrorism on economic is on the rise. The central government becomes the one who suffered most of the economic impact due to terrorism. In ASEAN, Indonesia ranked 42 with a score of 4.55. Countries with a higher level of vulnerability than Indonesia is the Philippines which ranked 11th with a score of 7.12. Thailand ranked 16th with a score of 6.6 and Myanmar ranked 37 with a score of 4.95. understanding the significant economic impact, the Government needs mitigation efforts comprehensively in order to prevent terrorism. Protecting strategic places, especially the business and economy center becomes essential in order to minimize the economic impact. Moreover, the government needs to take some comprehensive action to prevent acts of terrorism.

1. Introduction

Terror and terrorism are two almost similar words which have recently become popular topics. The term terrorism itself relates to the words terror and terrorism, which generally do not have a standard and universal definition. However, foreign countries agree that the term has a negative connotation that is equivalent as a result of the term "genocide." Terror is a phenomenon that has a long life in history, the root of the word terror itself, i.e., the phrase "cumbrous terror." The Roman phrase means "to frighten" which describes the panic that occurs when the opposing soldier acts fiercely and violently [1].

Then this word developed extensively for the first time in the era of the French Revolution into the terreur or terrere le which was used when violence was brutal by beheading many people who were accused of being anti-government activists so that terrorism interpreted as fond of intimidation and brutal actions against civilians with specific reasons. The meaning of terrorism then experienced a shift. It was initially an act carried out by an authoritarian ruler with political reasons being a category of crime against
state and crime against humanity. It resulted in the victims of a government society so that the political
and religious ideals of terrorists were achieved [2].

Terrorism carries the intention of (1) intimidating to influence the civilian population, (2) influencing
regulations and policies issued by the government, or (3) affecting the implementation of fields in the
government by kidnapping and murdering. Terrorism has a basic word of terror, which comes from Latin
'terre', meaning to scare. Generally, the word 'terror' is used to describe the type of government, and the
word 'terrorism' is used to describe terror, especially actions to regulate, suppress or conquer [7].

From a number of notions about terrorism above, there is an expansion in which terrorist acts were
once a method of government to control the political situation in its territory, nowadays turn into a crime
against state and humanity. Sometimes recent acts of terrorism also attack the conscience of individuals
(crime against conscience) due to random and erratic attacks which cause public unrest. Terrorism can
now be categorized as asymmetric warfare. Unlike traditional warfare where military power and resources
are in the spotlight, asymmetric warfare prioritizes psychological distress [5].

With the occurrence of terror if it is associated with the economic growth of the nation, then this is a
huge influence that does not rule out the possibility of bias to make the economy of an impertinent country
even able to cause the ebb and flow of an economy from a country. This is one of the things that later
triggered a decline in a nation's economy which eventually caused a weak economic turnaround, crisis,
and even poverty. The question arose is how the impact of criminal acts of terrorism on the economy of
the country?

2. Methods

2.1. Data Collection Technique

In order to collect primary data and secondary data, the authors use two types of data collection. Firstly,
library materials review relevant to research in the form of literature, scientific work (research results) [4].
Legislation, magazines, newspapers, documentation from various agencies related to this research, this is
intended to get the theoretical framework of the thoughts of these experts seen in its relevance to the facts
that occur in the field. Secondly, field research was to collect data on the field. The author uses interviews
in which the authors collect data in the form of questions and answers that were asked directly to the
respondent, which in this case are employees who are related and working in the Wakatobi District
National Park.

2.2. Types and Data Sources

Types and sources of data are primary data, research data through interviews. And secondary data, namely
data obtained and sourced from a review of study literature in the form of literature, scientific work
(research results), legislation, magazines, various agencies documentation related to other written
materials related with this study [10].

2.3. Data analysis technique

The research method used in this study is normative legal research that is qualitative in nature which is
more concerned with understanding existing legal material than the quantity or amount of data. In
normative legal research, researchers simply gather secondary legal materials and construct in a series of
research results. [3] The nature of the research to be carried out is analytical descriptive because from this
research it is expected to obtain a comprehensive and systematic description of the problem under study,
namely the impact of the crime of terrorism on the economy.
3. Research Results

Nearly two decades after the attack, the world has never been free from acts of terrorism. The target is not only in developed countries but also in developing. Most recently, terrorism occurred again in Surabaya, East Java of Indonesia. On Sunday (5/13), the city was shattered by bomb terror. The terror act targeted three churches, namely the Surabaya Central Pentecostal Church (GPPS) Sawahan Congregation, GKI Diponegoro, and the Catholic Church of Santa Maria.

The next day, still in Surabaya an act of bomb terror happened again. The target of the terrorists this time was the Police Headquarters of the City at around 08.50 local time. Terror acts have a broad impact such as eliminating lives, damaging public facilities and creating fear in the midst of society. The terror also disrupts the economy. "I think the economic impact is likely to be greater than most people realize," said Director of Business Development Financial Poise™ Sean Ross quoted from Investopedia.

According to Sean, there are at least some economic impacts that can be caused by terrorist acts[7]. The most measurable is physical damage. Usually, terrorists target transportation systems, workers, or other economic resources [9]. Take the example of the September 11 attacks. As a result of the attack of the two WTC towers, the value of losses from lost lives and destroyed infrastructure was estimated at $ 14 billion. Another example, the terrorist act in Beirut, Lebanon on February 19, 2014. Bomb terror targeted public areas. A total of 7 people were killed and 64 injured. The impact of economic losses was estimated at $ 27.81 million.

Terrorism also affected the stock market. As is known, acts of terror create uncertainty, and the market does not like uncertainty. However, this seems to be debatable, because sometimes the stock market is more resistant [8]. For example, the September 11 attacks. The US stock market was forced to close for four days. The new market opened again on September 17, 2001. At that time, the DowJones index closed down 7.13 percent to 8,920.7. Terrorist acts also affect the insurance and tourism sectors. Of these two industries, tourism suffers more. It is because the tourism sector in some countries has become the main foundation of their economy, thus in some countries it has a broader impact. In addition to losing a significant foreign exchange value, it does not rule out the number of unemployment to increase dramatically.

Terrorism impact on tourism for example, was experienced by France. In the afternoon of July 14, 2016, a 19-ton freight truck struck a crowd of people celebrating Bastille Day. A total of 86 people were killed. As a result, the tourism sector was disrupted. The number of tourists visiting France is estimated to decrease by 30 percent. It is important to understand that the tourism sector is one of the mainstays of this World Fashion City. "The impact on business is very significant. There is an estimation that the number of tourists visiting will be reduced by 30 percent, "as well as the insurance industry. [12] The impact of terrorist attacks on the industry is also not small. For example, the September 11 attacks. Claims paid for insurance reached $ 43.6 billion, the second largest in history after Hurricane Katrina in 2015 amounted to $ 49 billion. Terrorism make companies have to spend more money on insurance. In the UK, public sector organizations have increased their insurance spending fourfold to £ 56 million in 2017, from last year's £ 14 million [15]. So what about Indonesia?

Indonesia also experienced terrorist acts which had a deteriorating effect on the economic stretch, namely the Bali Bombing on October 12, 2002. The terrorism claimed 202 lives of 21 nationalities and damaged 428 buildings. As a result of the action, the losses suffered by Indonesia were estimated at Rp. 5.92 trillion. Also, the tourism sector that is the mainstay of the Balinese people is also disrupted, at least until the end of December 2003 (PDF).

In 2001, the number of foreign tourists visiting Bali reached 1.35 million. The following year, the number dropped 5.23 percent to 1.28 million. In 2003, the number of foreign tourists visited drastically dropped to 23 percent to around 990 thousand tourists. The tourism sector began to improve in 2004 after
all the power and efforts made by the Regional Government of Bali and its citizens together. In 2004, the number of tourist visits was Rp 1.45 million, up 47 percent.

Economic Losses Increased, in the last two decades, the economic impact caused by acts of terrorism continues to increase [13]. According to the 2017 Global Terrorism Index (PDF), the value of the economic impact of terrorism is estimated at $84 billion in 2016, rose 211 percent from 2011. Countries in conflict are those that feel the economic impact of terrorism the most. These countries are mainly in the Middle East, North Africa, Sub-Saharan Africa, and South Asia. Iraq and Afghanistan are the countries most affected by the worst economic impact of terrorism, which is 24 percent of Gross Domestic Product (GDP) for Iraq, and 13 percent of GDP for Afghanistan [14].

This condition is also in line with the vulnerability score conducted by The Institute for Economics & Peace (IEP) in measuring the scale of the impact of terrorism in 130 countries. Of the 130 countries, Iraq is ranked first with a vulnerability score of 10 of the maximum score of 10. Afghanistan is ranked second with a score of 9.44. Followed, Nigeria ranked third with a score of 9.

In the ASEAN region, Indonesia is ranked 42nd with a score of 4.55. Countries with a higher level of vulnerability than Indonesia, the Philippines ranked 11th with a score of 7.12. Thailand is ranked 16th with a score of 6.6 and Myanmar is ranked 37th with a score of 4.95. Seeing the economic impact caused is very large, the government needs to do comprehensive mitigation to prevent acts of terrorism. Protection in strategic places, especially economic centers also needs to be done to minimize economic impacts. The value of the economic impact due to terrorism is estimated at $84 billion in 2016. Seeing the economic impact caused is very large, the government needs to do comprehensive mitigation to prevent acts of terrorism. Protection in strategic places, especially economic centers also needs to be done to minimize economic impacts [6].

4. Conclusions
Economic Losses Increased, in the last two decades, the economic impact of terrorism has continued to increase. According to the 2017 Global Terrorism Index (PDF), the value of the economic impact of terrorism is estimated at $84 billion in 2016, up 211 percent from 2011. Countries in conflict are the countries that feel the economic impact of terrorism the most. These countries are mainly in the Middle East, North Africa, Sub-Saharan Africa, and South Asia. In the ASEAN region, Indonesia is ranked 42nd with a score of 4.55. Countries with a higher level of vulnerability than Indonesia, the Philippines ranked 11th with a score of 7.12. Thailand is ranked 16th with a score of 6.6 and Myanmar is ranked 37th with a score of 4.95. Seeing the economic impact caused is very large, the government needs to do comprehensive mitigation to prevent acts of terrorism. Protection in strategic places, especially economic centers also needs to be done to minimize economic impacts. The value of the economic impact due to terrorism is estimated at $84 billion in 2016. Seeing the economic impact caused is very large, the government needs to do comprehensive mitigation to prevent acts of terrorism. Protection in strategic places, especially economic centers also needs to be done to minimize economic impacts.

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