

Book Review

The Economic Impacts of Terrorist Attacks, by Harry W. Richardson, Petter Gordon and James E. Moore II, Edward Elgar, Cheltenham, U.K. Northampton, MA, U.S., 328 pp.

This book contributes to the literature on terrorism and its economic impacts. This masterpiece of research brings different methodological research approaches to evaluate terrorist attacks on different types of infrastructure, such as airports, highways, seaports, electric power plants. At the same time, each chapter is written by economists and planners with extensive experience on the respective topics.

The chapters discuss in detail the consequence of a terrorist attack from different perspectives and by employing different research techniques to study the final impact of a terrorist attack in different social groups (private sector, civil society, and government). The complexity and dynamicity of different factors such as economic, political, social, technological, religious, cultural, historical are brought together to understand terrorism as a whole. Additionally, some chapters are an exhaustive study of the origins, evolution, organisation, targets and the magnitude of terror and damage inflicted by terrorist groups (damage to infrastructure and human life).

However, the primary focus of this book is evaluating the economic losses of a terrorist attack terrorism. The different contributors of each chapter evaluates the magnitude of a terrorist attack to measure its final economic impact, especially the cost of damages on public and private infrastructure. The authors also discuss government investment on anti-terrorist national security measures and policies. They recommend national governments to monitor as closely as possible terrorist attacks to avoiding massive damage and substantial economic losses in the short or long run.

This book is divided into 15 chapters. Chapter 1: Introduction (by Harry W. Richardson, Peter Gordon, and James E. Moore II) provides general explanation of each chapter to understand the contributions of each author respectively. Chapter 2: Transnational Terrorism: An Economic Analysis (by Todd Sandler and Walter Enders) is a broad summary of different terrorist groups in different parts of the world. Chapter 3: You Can Only Die Once: Interdependent Security in an Uncertain World (by Geoffrey Heal and Howard Kunreuther) examines the philosophical approach of terrorism that justifies a terrorist attack(s). Chapter 4: Increasing the Security and Reliability of the US Electricity System (by Lester B. Lave, Jay Apt, Alex Farrell and M. Granger Morgan) evaluates how a terrorist attack targeting US. electric system can generate significant losses in short

run. Chapter 5: Mitigation of Extreme Event Risks: Electric Power Outrage and Infrastructure Failure Interactions (by Stephanie E. Chang, Timothy L. McDaniel's and Dorothy Reed) focuses on the vulnerability of an electric power outage in case of a terrorist attack. Chapter 6: Float Together/Sink Together? The Effect of Connectivity on Power Systems (by Richard E. Schule provides a general explanation of the networks and electric power plant systems damage in case of a massive terrorist attack. Chapter 7: Current and Improved Biodefense Cost-Benefit Assessment (by Clark C. Abet) is a biodefense cost-benefit assessment of a possible terrorist attack. Chapter 8: Improving the Homeland Security Advisory System: An Experimental Analysis of Threat Communication for National Security (by Philip T. Ganderton, David S. Brookshire, and Richard L. Bernknopf) offers a sound methodological approach to evaluate the security and communication issues in case of a terrorist attack. Chapter 9: Land Markets and Terrorism: Uncovering Perceptions of Risk by Examining Land Price Changes Following 9/11 (by Christian L. Redfearn) explain how a terrorist attack can generate a profound transformation in the land and housing prices in the affected areas. The 9/11 attacks at New York, and its negative impact on land and housing prices volatility at this mega-metropolis are used as a case in point. Chapter 10: Designing Benefit-Cost Analyses for Homeland Security Policies (by V. Kerry Smith and Daniel G. Hallstrom) is about how different security forces react in case of a terrorist attack. Chapter 11: Analysing Terrorist Threats to the Economy: A Computable General Equilibrium Approach (by Adam Rose) is unique in that it uses a pure economics approach to evaluate the cost of a terrorist attack. Chapter 12: Evaluating the Viability of 100 percent Container Inspection at America's Ports (by Susan E. Martonosi, David S. Ortiz, and Henry H. Willis) analyses the interaction between maritime logistic and anti-terrorist security measures. Chapter 13: An Overview of US Port Security Programs (by Jon D. Haveman, Howard J. Shatz, and Ernesto I. Vilchis) explains in detail the technical port security programmes from a management perspective. Chapter 14: The Economic Impact of a Terrorist Attack on the Twin Ports of Los Angeles–Long Beach (by Peter Gordon, James E. Moore II, Harry W. Richardson and Qisheng Pan) presents a simulation of a possible terrorist attack in two main US ports, namely Los Angeles and Long-Beach port and their impact on the US international trade. Chapter 15: The Transportation Implications of a Terrorist Attack on Seattle's Highway Network (by Chang-Hee Christine Bae, Larry Blain, and Alon Bassok), the final chapter explains how a massive terrorist attack in any US highway can affect directly the mobility of goods and people considerably.

It is an interesting and well researched book but it is not without limitations. The following are not covered though they would offer value and critical insights to the topics discussed:

- i. The crucial role of human capital losses in terrorist attacks.
- ii. The impact of terrorism on globalisation terrorism.
- iii. Some chapters focused heavily on the engineering aspect rather than on the economic impacts of terrorist attacks.

Overall, this is a highly recommended book, especially for those who would like to gain critical insights into the economic impact of terrorism nationally and globally.

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