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Terrorist groups as economically rational agents

Abstract

The issue of terrorism goes beyond the purely military, and therefore many of the studies on this subject have focused on the political, social or psychological aspects of the method of terrorism. Some scholars have also focused on the financial aspect, studying the sources and channels of terrorist financing or the costs of their attacks. Fewer, however, have based their studies on economic theory. The possibility of analysing this issue from the point of view of economic theory, in particular microeconomics, sheds light on the decision-making process of terrorist groups, and opens up transcendental lines of research for the design of more effective counter terrorism policies.

Keywords

Terrorism financing, Efficiency-security Trade-off, Terrorist groups, Rationality, Microeconomics.

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1. Introduction

Terrorist groups are often described as irrational because of the insanity of their practices, their extreme nature, or the shocking nature of their attacks. Their lack of humanity leads us to believe that their actions are motivated by cognitive biases, intense emotions or distorted beliefs.

Rationality, however, does not imply an ethical evaluation of actions. What makes an agent rational is his ability to make use of logical reasoning, so that, before acting, he has evaluated the costs and benefits of each possible alternative, thus being able to make decisions that are aligned with his preferences and of maximum utility (Guerra Picamill, 2021: 34).

Based on this economic concept of rationality, this article assumes that groups are rational agents. Based on decision theory, the core of which is the principle of rationality, it would be sufficient to know the objectives of the terrorist group in question and to identify its constraints, in order to determine what action would be most beneficial to the group, since according to this theory, terrorist groups will act rationally and consistently with regard to what they are pursuing. (McCormick, 2003: 482).

While not as simple as this, studying the problem of terrorism from this perspective provides valuable and interesting lessons. Thus, this article presents an approach to decision-making in terrorist groups and presents concrete cases showing how some of the most influential terrorist groups of recent decades have acted rationally.

Despite the relevance of this article's theoretical approach, it should be noted that it is not the one and only solution to terrorism. Rationality theory is by no means exclusive of other lines of research. On the contrary, the study of terrorist decisions through this microeconomic perspective adds one more piece to the great puzzle of understanding this phenomenon, but (Herrerros Vázquez, 2008: 175-176) it cannot and does not claim to solve it in its entirety, as it requires a perspective from various angles.

2. Economic rationality, decision-making and the terrorist's dilemma

According to Anderton and Carter (2009: 28), the economic analysis of any conflict is based on one or both of the principles of *equilibrium* and *rationality*. Equilibrium refers to how the choices of different actors fit together, and is embodied in the economic model of supply and demand. Rationality, on the other hand, refers to the way in which actors make decisions, consciously choosing from among all possible alternatives.

This principle of rationality is at the core of decision theory and rational choice theory, theories that argue that actors face uncertainty when making decisions and that, in the process, they face trade-offs between different possible options. These theories constitute the frame of reference of the article, and this knowledge constitutes a

powerful tool for understanding the functioning of terrorist groups and, consequently, an equally powerful tool for trying to combat them. (Herreros Vázquez, 2008: 175-176).

As mentioned above, rational agents are those who make decisions by weighing the costs and probabilities of success of different outcomes and choosing the option that maximises their utility, consistent with their preferences and given their constraints.. And terrorist groups, contrary to what we might believe, behave in line with this rational behaviour. On this issue, research by McCormick (2003), Ahmed (2018) and Shapiro (2013) provides a good framework for understanding rationality and decision-making in terrorist groups.

In his article, McCormick (2003) argues that the decisions made by terrorist groups take into account various factors such as the desired political impact, the probability of success of an attack, their exposure to risk (security), the human and financial resources available or the internal security of the organisation.

In the exercise of their rational capacity and during the decision-making process, terrorist groups evaluate the costs and benefits associated with each option. Following this assessment, they will select the one they consider to be the most effective among all the possible ways of approaching their objectives. This relationship between ends and means is called instrumental rationality, and focuses on the strategic effectiveness of their actions. In this sense, while all terrorist groups can be assumed to act rationally, decisions are not the same for all groups, but depend on their specific ideological preferences. As a result, the cost-benefit analysis for each group is different and, consequently, so are the type and quantity of attacks.

This relationship between ideology and terrorist targets has been the subject of much research. (Hoffman, 1995; de la Calle y Sánchez-Cuenca, 2006; Ezell, Behr y Collins, 2012; LaFree *et al.*, 2012; Ahmed, 2018; Gill *et al.*, 2018; Polo, 2019; Sierra, 2021). Targeting is a strategic decision (LaFree *et al.*, 2012: 27), as terrorist attacks are a communication tool aimed at conveying a message and influencing the target audience, (Bordas Martínez, 2006: 103; Polo, 2019: 3). To this end, some authors distinguish between two types of terrorist organisations. On the one hand, those that see terrorism as an investment, and on the other, groups that see terrorism as a “business” or a way of life (Crenshaw, 1995: 602-603; Sánchez de Rojas Díaz, 2016: 7).

Terrorism as an investment is practised by groups that, through threat, violence and provocation, seek to impose their ideology on the established order. This would be the most accepted concept of terrorism, and also the closest to intrastate terrorism. By their actions they seek to expose the weaknesses of the government they wish to overthrow. Terrorism is thus considered as a stage or means, so that terrorist groups that fit this definition will be willing to abandon the terrorist method once they have brought about the desired change. (Crenshaw, 1995: 601-602). That is to say, when the “investment” in terrorism has borne fruit (Esteve Mora, 2012), which consists of achieving a political goal (Asua Batarrita, 2002: 4). Professor Julio Bordas has stated: “if in the face of a terrorist action a disproportionate reaction is generated [...], a reaction is derived which can gradually achieve the legitimacy that, in principle, (the terrorist group) did not have”. (Bordas Martínez, 2006:100).

If, on the other hand, the achievement of the final objective takes a long time, the terrorist group may evolve beyond the ideological. Groups that consider terrorism as a business go through a process of political devolution, losing any ideological orientation, and becoming primarily a business of crime, terror and barbarism. (Vargas Rincón, 2008: 414). Terrorism thus moves from being a method to becoming an end in itself, with no provision for abandoning violence (Sánchez de Rojas Díaz, 2016: 8; Shaw y Mahadevan, 2018: 3).

If terrorist attacks are a means of communicating a message, the group will have to plan strategically according to its objective. In other words, it will have to make use of its instrumental rationality: to choose the best means (attack) for its end. In this respect, there is a fundamental difference between nationalist terrorist groups and religious terrorist groups.

In the case of nationalist terrorist groups, the choice of targets is crucial, as public opinion and the support of their sympathisers are crucial constraints. (de la Calle and Sánchez-Cuenca, 2006; Sánchez-Cuenca, 2007). The problem with the choice of their targets is that nationalism and terrorism share the same legitimacy assumptions, both in terms of the violence they use and the assumptions they pursue, which are often ethnic or political in nature. As a result, they find it necessary to justify the victims of their attacks. Otherwise, they may be alienated from their goal or reduce their recruitment base through a potential lack of sympathisers to join the cause:

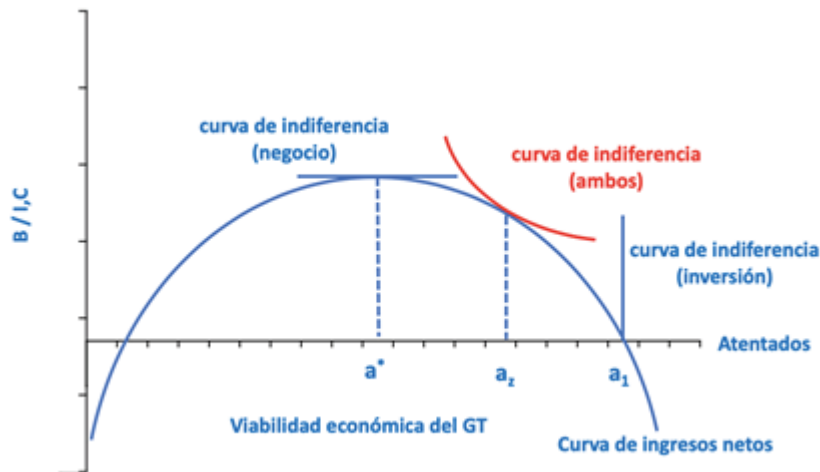
“In order to gain support [...] they (terrorist groups) have to limit offensive capabilities and, consequently, their tactics [...] will not be as violent as they could be. In such circumstances, the more indiscriminate the attacks, the greater the pressure on the state, but the less popular the support. And the more isolated the terrorist organisation is, the less threatening the armed struggle is to the state (Sánchez-Cuenca, 2007: 301)”.

However, while ideology influences targeting by providing the frame of reference and “moral” grounds, terrorist attacks are ultimately constrained by their operational capability. (Ahmed, 2018: 380). Financial resources, human resources, the availability of weapons and materials, the logistical capacity of the terrorist group and the training of members in, for example, combat or bomb-making, as well as pressure from security forces, are operational constraints that can limit the quality, frequency or impact of attacks.

In this respect, it is illustrative to liken terrorist groups to *sui generis* enterprises (Cramer, 2010: 10). Although the activities and objectives of companies and terrorist groups are different, there are certain similarities in the ways they operate and in their economic behaviour.

Firstly, both terrorist groups and companies need funding to be able to operate, and each uses different strategies to obtain financial, human or material resources. Secondly, both need manage these human and logistical resources in order to carry out their activities. And thirdly, both companies and terrorist groups need to plan and execute actions to achieve their objectives, for which both base their operations on tactical

and strategic decision-making. In other words, they both have specific objectives and use limited resources to achieve them, so they need to use their instrumental rationality while taking into account the constraints they may face (Bonome, 2009: 16-17; Shapiro, 2013: 20).



Graph 1. Number of attacks by type of terrorist group. Author's own elaboration, adapted from (Anderton y Carter, 2009).

However, there is a one particular constraint that differentiates terrorist groups from companies: the need to hide. The need to remain clandestine is the greatest constraint on terrorist operations, making it a fundamental factor in rational decision-making (Morselli, Giguère and Petit, 2007). The problem for terrorist groups is that actions aimed at increasing security usually reduce efficiency, and those aimed at increasing efficiency often compromise security.

This tension between the goals of influence (or efficiency, in business terms) and minimum security requirements is what some have called the efficiency-security trade-off or “terrorist’s dilemma” (McCormick, 2003: 496; Morselli, Giguère and Petit, 2007; Kilberg, 2011; Shapiro, 2013).

This “terrorist dilemma” is the quandary that terrorist groups constantly face in balancing, on one hand, the need to carry out attacks to achieve their political goals (influence) and the need to ensure the survival of the group and avoid capture by the security forces on the other. It is a trade-off because terrorist groups must identify the amount of resources needed to invest in security, while at the same time investing in actions aimed at increasing their influence (de la Calle and Sánchez-Cuenca, 2007: 6).

For a deeper understanding of this dilemma, and thus of the behaviour of terrorist groups, it is useful to break down the elements involved, which constitute the pillars of terrorist action: control of violence, management of resources or operational capacity, and security (Ahmed, 2018; Merlos Garcia, 2006; Shapiro, 2013). The elements of violence control and resource management make up the efficiency side, while on the other side of the dilemma is the security pillar (Merlos Garcia, 2006; Shapiro, 2013). The success of the terrorist group will only be achieved if it acts according to the principle of economic rationality.

This relationship leads to the conclusion that the performance of terrorist groups is not based on simple, arbitrary decisions. It is a complex process, involving not only goals and ideology, but also operational capacity and the need to maintain an appropriate balance between security and efficiency. Terrorist groups must therefore carefully weigh each of their decisions and constantly adjust to shocks in order to remain safe and operational. Otherwise, they will succumb.

A large part of their survival, therefore, is their ability to adapt to these changes. In this sense, according to (McCormick, 2003: 498), changes in their tactical trajectory will depend on their ability to identify changes and threats in the environment, their adaptive rationality, and their precision and accuracy in implementing instrumental rationality.

This idea of adaptive rationality that McCormick (2003) talks about refers to the incorporation of information from the past into current decisions. The term has its origins in the rational expectation theories of Muth and Nobel prizewinner in economics, Robert Lucas. These theories suggest that, in contexts of uncertainty, agents make use of all available information to update their expectations and, based on these, define their behaviour accordingly. Knowing this, what McCormick (2003: 498) suggest that in order for terrorist groups to achieve their goals and to remain operational and ensure their survival, they must learn from the past in dealing with the changes and threats they face (Ezell, Behr y Collins, 2012: 2; Ahmed, 2018: 380).

3. Adaptive rationality and instrumental rationality: real adjustments in terrorist groups

To echo McCormick (2003), terrorist groups decision-making is a dynamic and iterative process in which they constantly establishing preferences, identifying the strategic environment, assessing the range of possible options that fit their operational capacity, and evaluate the costs and benefits associated with each of these options. In other words, the life of a terrorist group consists of constantly adapting to its environment according to its possibilities. And to do so, they must be able to make decisions that improve their situation based on their adaptive rationality and instrumental rationality. They must avoid detection, increase their influence, or both.

3.1. Security-focused decisions in terrorist groups

First, we find concrete cases where terrorist groups have systematically applied lessons learned to maintain their security. The case of ETA (Euskadi Ta Askatasuna) is a clear example of this adaptive rationality. After *kantadas* or “blunders” of its fighters, the detained members drew up a kind of report detailing the conditions under which they had been captured. In this report, they pointed out where they may have failed and what information had been given to the police. This allowed ETA to determine

where it stood, where its security was compromised, and which members were in danger, thus serving as a tool to prevent future failures (Domínguez, 2008: 2).

Second, terrorist groups may adopt more extreme security measures. In this sense, we find changes in organisational structure (Arquilla and Ronfeldt, 2001). McMillan, Felmlee and Braines (2019) conducted a longitudinal study of eleven Islamic terrorist groups on how the need for security influences the structures adopted by terrorist groups. The results of their study concluded that the study sample circumvented the efficiency-security dilemma by moving towards centralisation (McMillan, Felmlee and Braines, 2019: 574). However, the article brought together previous research that suggests that the organisational structures that most benefit security are decentralised. McCormick (2003) also agrees with them: “when it comes to security, smaller is better” (McCormick, 2003: 496).

The hierarchical structure not only makes the terrorist group vulnerable, but also amplifies the consequences of an arrest. This reinforcing effect can be observed in two ways. Firstly, the link between members of an organisation can be strengthened when one member is captured, because when one member is arrested, counterterrorism forces will try to identify the person connected to him all the way to the top, and may even decapitate the organisation (Kilberg, 2011: 26). Secondly, such structures are often accompanied by an orderly bureaucracy which, if intercepted, reveals information that makes the group more predictable and therefore easier to detect by anti-terrorist forces, as was the case with ETA’s Susper papers, which led to 103 arrests.¹

In this sense, the final years of the Provisional IRA (Irish Republican Army), its members sought to increase secrecy and security by replacing a standard military structure with a decentralised organisation of cells (Hannigan, 1985: 32). However, perhaps the most obvious case of a terrorist group changing its structure to increase its security is that of al-Qaeda after 9/11.

The counterterrorism efforts that sought to take down al-Qaeda resulted in the decentralisation of the group and the creation of its “franchise”, (Bourekba, 2021: 2) resulting in what Hoffman (2004: 551) calls the terrorism-counter-terrorism conundrum. This conundrum refers to the situation where security forces improve their measures, forcing terrorist groups to adapt to the new environment and adopt structures that allow them to circumvent the conditions that make their operating environment less favourable to their survival (Hoffman, 2004: 551). “Perhaps al-Qaeda’s greatest achievement has been the change in the image it has given itself. [...] It has gone from being a more or less unitary and almost bureaucratic entity to something more like an ideology [...], it has gone from being an entity that [...] could be destroyed [...] to a less tangible transnational movement” (Hoffman, 2004: 552).

This “strategic evolution of jihadist terrorism” (Calvente Moreno, 2022: 306) has had implications beyond its decentralisation into various franchises. Its transformation

¹ The Susper papers contained all ETA information in encrypted form: design of operations, safe havens, register of members and reserves, plans, decisions taken, structural modifications, etc.

has brought with it challenges that had to be addressed to meet its desire for influence while trying to maintain its security. Consequently, its greatest challenge became to ensure its longevity, for which it needed to perpetrate new attacks to “maintain its relevance as a force in international politics and to increase its power of coercion and intimidation” (Hoffman, 2004: 551). In this way, the franchises that were created (al-Qaeda in the Arabian Peninsula, al-Qaeda in the Islamic Maghreb, Jemaah Islamiya, etc.) serve local interests as well as their own, and because of their territorial spread, gives the movement a sense of omnipresence, which reinforces its message of terror (Calvente Moreno, 2022: 305; Khan, Ullah Khan and Auf, 2022: 1901).

While al-Qaeda’s decentralisation was a reaction to the threat to its security, it has had a positive (indirect) impact on its efficiency. This suggests that decisions made to prioritise one side of the terrorist dilemma do not preclude indirect improvements on the other side, even though they maintain, as a general rule, an inverse relationship (McCormick, 2003).

3.2. Decisions on changing targets and strategy in terrorist groups

Among the current terrorist groups that have taken the decision to significantly change their *modus operandi* because of the security/efficiency dilemma is Daesh (or Islamic State). Initially, the group’s strategy was to conquer the territory in Syria and Iraq in order to establish a caliphate. However, as the conflict progressed and its presence in the region was relatively weakened by military pressure, Daesh adapted its strategy and tactics to the new situation.

The loss of territory and the intensification of counter-terrorism measures led the group to favour soft targets. The choice of less defended targets allows greater tactical freedom and room for manoeuvre, making it more difficult for security forces to anticipate, as well as generating a high impact. In this way, the jihadist group has been able to achieve both security and efficiency. Moreover, this change gives terrorist groups a wide range of possible targets, which has allowed Daesh to maintain its operational capacity and operate in a wide variety of settings such as concerts, stadia, stations or restaurants (Hoffman, 2004: 551; Europol, 2016: 8), resulting in mass civilian casualties.

Thus, the change in *modus operandi* or targeting of the jihadi terrorist group is a response to greater pressure on their security, due to the terrorism-counterterrorism dilemma (Hoffman, 2004), and is therefore the result of their adaptive rationality. For nationalist terrorist groups, however, it seems to be more of the combination of their adaptive rationality and instrumental rationality. This thesis brings us back to the differences between terrorist groups that consider terrorism as a business and those that consider it as an investment and the control of violence, one of the elements of the terrorist dilemma. The most paradigmatic examples of this type of terrorism in recent decades are the Provisional IRA and ETA.

The Basque and Irish cases went through what Sierra (2021) has called the “socialisation of suffering”, whereby any citizen became a target of their attacks. In this sense, both faced problems of efficiency since this loss of legitimacy reduced the power of influence over the target audience, which meant that the terrorist group’s relative power *vis-à-vis* the state diminished (Sánchez-Cuenca, 2007: 301).

In the case of ETA, the indiscriminate attacks led” to a greater distance between the use of violence and the social base of Basque nationalism” (Sierra, 2021: 13). In this regard, the study by Sánchez Cuenca (2007: 301), in which he shows how the electoral support of Herri Batasuna, ETA’s political wing, increased when ETA announced a ceasefire. This rejection by society of various terrorist groups due to the lack of justification for their actions has been observed both in ETA and the IRA (Hannigan, 1985: 32; de la Calle y Sánchez-Cuenca, 2006: 6; Shapiro, 2008: 8) and FARC [Revolutionary Armed Forces of Colombia]:

During the 1992-2002 period things changed, mainly due to the decline in kidnappings. This source of financing faced growing problems of legitimacy in Basque society which, from the beginning of the 1990s, tolerated less and less the suffering they caused, to the point that, from 1993,” [...] a specific campaign of rejection grew [...] and one of its consequences was that ETA stopped kidnapping in 1994 and 1995” (Buesa Blanco, 2016: 35 - 36).

The delegitimisation of kidnapping in Colombian society since the late 1990s resulted in a drastic reduction of kidnappings by FARC(Buesa Blanco, 2016: 41).

Recognising that violence was limiting their ability to achieve their goals and that public disapproval threatened their long-term viability, both the IRA and ETA navigated the terrorist dilemma by leaning towards efficiency, which allowed them to put more pressure on the state. (Sánchez-Cuenca, 2007: 298; 301). In this sense, they both changed their objectives and strategy.

In both cases there was an initial phase characterised by a rapid increase in fatalities, reaching a peak, which was followed by a second phase of sudden decline (Sánchez-Cuenca, 2007: 297). This phase of decline was accompanied by a qualitative leap towards the so-called *hard targets* and a diversification of their strategy combining violent action with participation at the ballot box. Thus, Sinn Féin (IRA) and Herri Batasuna (ETA) came to the fore, a strategy that researchers of the Irish conflict have dubbed the “Armalite and Ballot Box strategy”. (Hannigan, 1985; McAllister, 2004).

This combination of terrorism and political participation is an example of an efficiency measure, the result of instrumental rationality, i.e., the choice of the method most likely to achieve the terrorist group’s objective (McAllister, 2004: 140). Moreover, it was a particularly successful strategy for the IRA, because the fictitious separation between the IRA and Sinn Féin allowed for negotiations with a government that refused to negotiate with terrorists, and (McAllister, 2004: 141) Sinn Féin played a crucial role in the Good Friday Agreement.

3.3. *Decisions on funding sources*

In addition to the importance of financing for terrorist groups as it gives such groups (though less so for lone wolves) the ability to acquire material, plan attacks or recruit personnel, those groups pay particular attention to their financial decisions since global counter-terrorism units focus on financing. UN Security Council Resolution 1373, the US Patriot Act, the creation of terrorist and terrorist group lists, increased international cooperation in sharing intelligence and financial information, as well as the strengthening of international sanctions against countries suspected of sponsoring terrorism are some examples of the importance of this issue.

As with all other decisions, the balance between efficiency and security that is the focus of this article is present in the financial decisions of terrorist groups. Terrorist groups make decisions about their sources of funding, and seek to maximise benefits at minimum cost to ensure the economic viability of their operations, while seeking to minimise risk, as this would increase the cost of security. Therefore, in order to finance their activities, terrorist groups carefully weigh their financial choices in terms of raising and mobilising resources.

In choosing funding channels, such groups will evaluate different alternatives² according to parameters such as risk, transfer speed, volume of funds, simplicity of the channel or associated costs (Wittig, 2011: 9; Freeman and Ruehsen, 2013: 6), as they try to balance efficiency and security.

In terms of sources, terrorist groups, like legitimate businesses operate with a diversified financial structure, that allows them to minimise the risks of detection, adapt to changes in their environment and enjoy a certain degree of financial autonomy. However, unlike companies, they rely on both legal and illegal sources (Shelley, 2020: 7). The choice of illegal sources may come as a surprise, but it is precisely a strategy that responds to both instrumental and adaptive rationality.

As a result of their instrumental rationality, terrorist groups choose those sources of funding that, out of all possible sources, that will provide them the greatest amount of resources at the lowest possible cost. In their dilemma between efficiency and security, and after assessing the costs and benefits of each of the possible sources of funding, they will choose those that can maximise profits at minimum cost to ensure the economic viability of their violent activities. At the same time, they will also look for sources that present the lowest risk of detection, even if this reduces effectiveness.

In this balance between security and efficiency, extortion, kidnapping, drug trafficking, arms smuggling, human trafficking, art theft, robbery and credit card fraud (Azcona Pastor, Re and Azpiazu, 2011: 241; McMillan, Felmlee and Braines,

2 Some alternatives are the physical transport of money, creation of shell companies, introduction into the banking system, parallel financial systems, such as *hawala* networks, etc.

2019: 560; Brady *et al.*, 2022: 71-92) are attractive sources of income for terrorist groups. Although potentially costly, these channels are subject to little or no regulation or control, allowing them to evade detection by financial authorities and maintain a low profile. In addition, they are often more profitable than legal channels that have their own associated risk (Ogueri Ibekwe, 2022: 64). Another reason why funding through illegal channels is attractive to terrorist groups is the availability of funding that would not be possible legally, such as state sponsorship (Passas and Giménez-Salinas Framis, 2007: 3; Sanchez Medero, 2008: 51; Levi, 2010: 654; Buesa Blanco, 2016: 4).

However, the cost-benefit calculation of terrorist financing decisions is complicated. While illicit sources are attractive, their classification as illegal further increases the costs since, regardless of whether they end up financing terrorism, these sources constitute a criminal offence, so that, if detected, the offence would be double. Just as Masciandaro (2007) has stated: as in any illegal financial activity, the financing of terrorist groups is subject to a “special category of transaction costs”, which are due to the fact that “the increase in relative income increases the chances of the crime being discovered and, therefore, of incrimination” (Masciandaro, 2007: 1; 4). Moreover, nationalist terrorist groups face potential legitimacy problems if they choose to finance themselves through a revolutionary tax or ransom money.

Masciandaro (2007) argues that terrorist groups face significant costs such as the cost of negotiating with suppliers or the cost of information to ensure that funding sources are reliable. Despite these, the choice of illegal sources remains a rational and effective strategy, as they are less traceable compared to legal sources and provide flexibility to terrorist groups. Because of the same need to reduce security costs, terrorist groups also resort to other forms of financing such as cryptocurrencies and crowdfunding platforms on the Internet (FATF, 2015: 15), which facilitate anonymity.

On the other hand, illegal financing as a result of their adaptive rationality is explained by the fact that terrorist groups modify their behaviour when there is legislation that affects their efficiency or security (LaFree *et al.*, 2012: 10). In this context, some of the barriers to the legal financing by terrorist groups is due to the tightening of financial regulations and due diligence measures in the financial sector. While necessary to prevent terrorist financing, it creates a dilemma for financial institutions as terrorist groups tend to finance themselves illegally because due diligence measures increase security costs. This drives terrorist groups to seek new forms of funding to enable them to continue planning and operating underground.

This constant adaptation of terrorist groups is a direct indication that they are rethinking the current system for combating the financing of terrorism. While this approach has been remarkably successful in preventing terrorism, it faces limitations and challenges in its implementation and results, mainly due to a lack of international cooperation and technical and legal constraints.

4. *Conclusions*

Over the preceding pages, it has been shown that there are many elements at play in the decisions of terrorist groups, most of which can be influenced. In this sense, the relevance of the approach based on both adaptive and instrumental rationality for the study of terrorism lies in the verification that the decisions taken by terrorist groups are not arbitrary, but are the result of a careful calculation between the costs and benefits of each possible action. However, almost all counter-terrorism measures focus on combating its financing. This system, while effective, it faces significant implementation problems and limitations, that make it insufficient.

For this reason, the clues provided by the study of terrorist groups through decision theory and rationality are useful to complement this system, in combination with the contributions of other disciplines such as psychology, sociology and politics. Through the analysis of three types of measures favouring either security or efficiency, or even both, we have analysed how some of the most influential terrorist groups in recent decades have managed the efficiency and security trade-off, while taking into account other ideological, operational or logistical constraints.

The last type of decision analysed was the financial one, i.e the decision of terrorist groups to finance themselves from illegal sources. It can be concluded that this decision responds to both an instrumental and an adaptive strategy, given the current financial constraints faced by terrorist groups. After this analysis, and with the above case studies, it is clear that the current counterterrorism framework, which focuses primarily on the financing of these groups, is insufficient.

In this sense, the analysis of the terrorist dilemma leads directly to a dual strategy that maintains the efforts to financially incapacitate terrorist groups, while trying to influence those elements that can be influenced and pressured, given that terrorist group, as rational actors, act based on security measures.

By studying the phenomenon of terrorism through rationality, we have been able to derive patterns about its vulnerabilities and weaknesses, and come closer to a better understanding of the logic behind its functioning, which allows us to predict its behaviour to a certain extent. Thus, it is known that the current trend among jihadist terrorist groups is towards so-called soft targets, because this benefits both their efficiency and security. In other words, even when weighing the benefits of the illegal route against the probability and cost of being arrested, they continue to carry out attacks. This indicates that the costs are not high enough. Therefore, it is not so much a question of increasing the quantity of measures, but rather the quality or effectiveness of these measures, focusing on those points that are susceptible to influence.

This dual strategy therefore consists of using a credible threat to increase the legal costs of engaging in the crime of terrorism financing, or the diplomatic costs if the target is a state. Since the outcome of the cost-benefit calculation is different for each group depending on its circumstances, the cost will vary from case to case.

Despite such variation, it is precisely because all groups behave rationally and react to changes in their security environment that this strategy is considered a deterrent.

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