

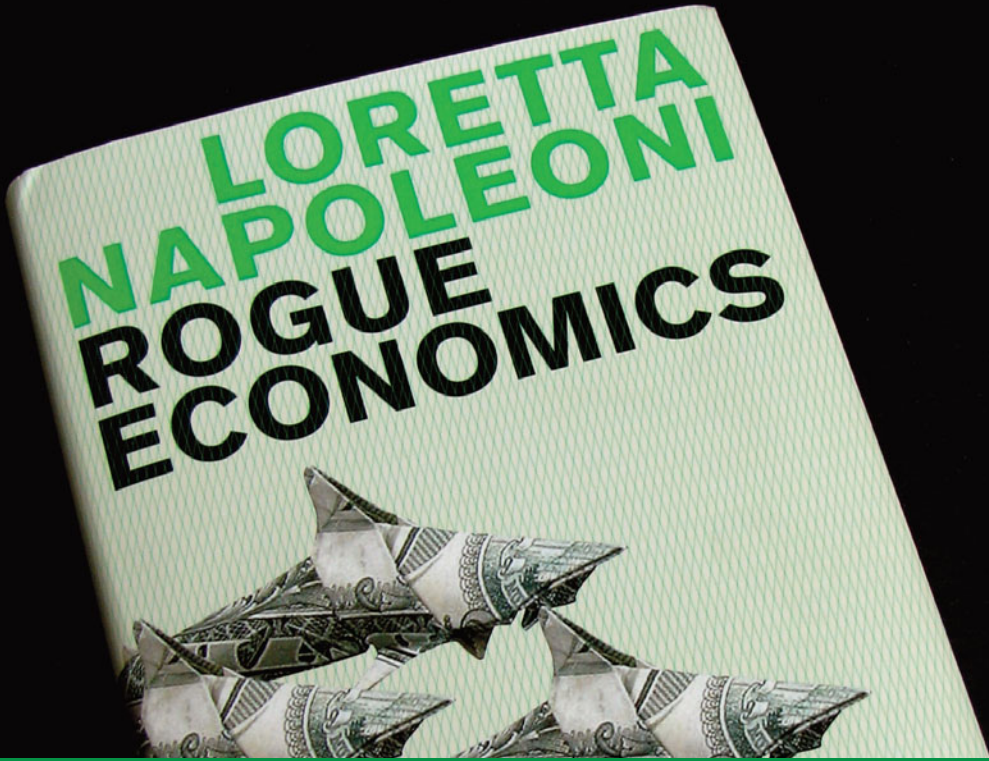
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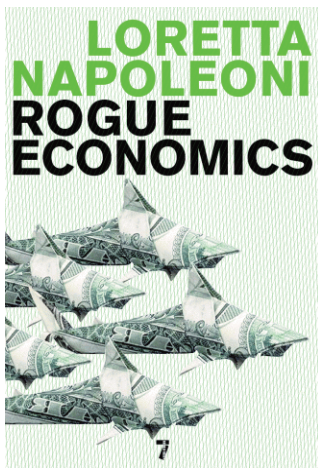
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**TWENTIETH-CENTURY
GREAT ILLUSIONISTS**

An excerpt from **Rogue Economics**,
the new book by Loretta Napoleoni



A 24-PAGE COLDTYPE SPECIAL



ROGUE ECONOMICS
Capitalism's New Reality
LORETTA NAPOLEONI

Published by **SEVEN STORIES PRESS**
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Respected economist and syndicated journalist Loretta Napoleoni shows how the world is being reshaped by dark economic forces creating victims out of millions of ordinary people whose lives have become trapped inside a fantasy world of consumerism. The world has become overrun by organizations, both private and public, which have accumulated vast fortunes and enormous political influence by regulating, containing, and manipulating the market to their own advantage. From Eastern Europe's booming sex trade industry to China's "online sweatshops," from al-Qaeda's underwriters to America's subprime mortgage lending scandal, *Rogue Economics* exposes the paradoxical economic connections of the new global marketplace.

Pre-Publication Comments

Greg Palast, author of **The Best Democracy Money Can Buy**

"When you're ready to take a big leap beyond *Freakonomics*, strap yourself in for *Rogue-o-nomics*, Loretta Napoleoni's devilishly enjoyable journey into the money veins of the new global order—from sex slavery to fad-diet slavery. . . . It is truly, an incredibly original work."

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"*Rogue Economics* offers a fascinating view of how terribly wrong things have gone. Loretta Napoleoni's book is an alarm, warning us to take a wake up immediately and head down a new path."

This excerpt is Chapter 9 – Twentieth-Century Great Illusionists

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CHAPTER NINE

TWENTIETH-CENTURY GREAT ILLUSIONISTS

“The aim of terrorism is to terrify.”

Franz Fanon

In his documentary *An Inconvenient Truth*, Al Gore admits that during the 2000 presidential election campaign his advisors told him not to campaign on environmental issues, even though he clearly believed passionately in the subject, because it would not have brought him votes. This recommendation was based upon nationwide opinion polls. Naturally, today, the situation would be a lot different, as the environmental crisis strongly resonates among millions of people. Increasingly, in the market-state, politicians must perform a task that has nothing to do with traditional politics and all to do with single issues. Instead of putting forward a vision for the future, they essentially tell people what they want to hear.

Opinion polls have become *vox populi* and politics no longer represents a battleground of ideas, but is a confrontation of marketing strategies between successful pollsters. Among the best known is American Mark Penn, who perfected the art of political polling by applying to it commercial principles such as data mining. The British supermarket chain Tesco has pioneered this new technique, described as “gathering of valuable data about customers,” by using club cards. These cards are essentially the DNA of shoppers; they contain all the information required to assess their commercial behavior, from social status to tastes in food. Marketing teams work with this information, and focus on customers who change their habits, not on those who always buy the same products.

The rationale is that changes in commercial behavior patterns can be translated into concrete commercial opportunities.

Elections revolve around swing voters because they determine the outcome of any successful campaign. It follows that polling of swing voters is to politicians what club cards are to Tesco; it offers a snapshot of key voters' opinions. Modern political pollsters are essentially data miners and analysts: they collect and study information about swing voters to find important patterns. The controversial New Labour election slogan for the 2005 campaign, "Forward not Back," for example, sprang from this novel type of polling. Ahead of the British election, Penn's company conducted thousands of interviews in the United Kingdom to understand what people wanted to hear from New Labour. That message was passed on to Tony Blair and summarized in the above slogan.¹

Sociologists have written endlessly about the "undecided" middle class, but only with the advent of the market-state did swing voters become a key factor in politics. Today, issues dear to these minorities, not political parties' ideologies, shape the politics of modern democracies. Stripped of their own intellectual and ideological attributes, politicians are nothing more than political "performers." Their act plays out in a series of great illusions through which they make the masses believe that these policies reflect what the nation needs.

In the market-state, understanding what makes people swing from one party to another is a powerful tool, and whoever masters it can make political propaganda work marvels. Swing voters' fascination with celebrities, for example, plays a critical role in the latter's involvement in politics. This situation has emerged as a new phenomenon. Imagine the all-star cast of Fellini's *La Dolce Vita* campaigning for the Italian Christian Democratic Party! If anything, in the past, the political involvement of distinguished artists proved strictly antiestablishment, as was the case of Charlie Chaplin during the rise of Nazism and later on during McCarthyism. Today,

politicians encourage famous people to be part of their team, because their image translates into votes. Celebrities are, by definition, performers, and therefore they have high visibility. For this reason Bob Geldof was appointed a consultant to the British Conservative Party's policy review on global poverty. UNICEF's celebrity supporters include David Beckham, Ricky Martin, and Robbie Williams.² Five former Miss Universes are goodwill ambassadors for the United Nations Population Fund.

Status, not knowledge, has become the key factor in celebrities' involvement in world politics. Globalization, of course, tremendously inflated their role, making their faces familiar to the far corners of the earth. But the transition from the nation-state to the market-state then facilitates their entry into mainstream politics. Celebrities belong to the establishment because they owe their stardom and wealth to the obsessive marketization of their image. Their loyalty to the market is unshakable since their existence and continued success depend upon it.

We can compare celebrities, as viewed in the collective imagination, to the Greek gods: capricious people who populate the Mount Olympus of the market-state. Extraordinary wealth and fame has turned them into superhumans, and as such, they can and do conduct their lives outside normal parameters. Brad Pitt driving a hybrid car becomes a statement about saving the planet. However, he regularly travels by private jet,³ as when he went with Angelina Jolie to Namibia, burning an estimated 11,000 gallons in jet fuel, enough to take his hybrid car to the moon.⁴ Bono's crusades to save Africa from poverty won him a nomination for the Nobel Peace Prize; at the same time, his band, U2, avoids taxation in the United Kingdom by using Dutch tax havens.⁵ Such contradictory behavior would be equivalent to Charlie Chaplin having dinner at the height of McCarthyism with Senator McCarthy himself, or perhaps with the Dulles broth-

ers. In the past, these hypocritical performances were not tolerated the way they are today.

Why are celebrities allowed to behave in such ways? The answer rests on their superhuman condition, a status the masses do not want to destroy. People have become addicted to celebrities and they would find themselves lost without their daily intake of real-life soap operas. Celebrities' love affairs distract from everyday life and, at the same time, the tabloid intimacy created by the media helps the readers day-dream. Like Mr. and Mrs. Jones, what many people want has nothing to do with creating a better world, but everything to do with joining the celebrity's world. They have a consuming desire to escape the day-to-day, bleak reality for a world of fantasy.

Even with their superhuman status, however, celebrities are manipulated by politicians to perform their illusory political magic acts. Politicians, not pop singers, international footballers, or Hollywood megastars, are the great illusionists. As discussed in the following section, though George W. Bush and Tony Blair endorsed Bono and Geldof's Live 8 campaign to end poverty in Africa, the two politicians' real motivation had everything to do with safeguarding their own interests and those of their own electorate and little or nothing to do with lifting Africa out of poverty. The involvement of celebrities in politics and the use of megamedia events constructed by their publicity apparatuses prove crucial in presenting the initiative as the altruistic gesture of Western masses toward Africa. In reality, the implementation of the agenda ended up perpetuating the African continent's subjugation to the economics of Western powers.

AFRICAN FOOD FOR THOUGHT

The dilemma of Africa has plagued more than one generation of economists and politicians. Since the 1960s, this continent

has received over half a trillion dollars in aid, yet today it remains poorer than when the loans began. Why? For such celebrities as Bono, the answer is simple. A shortage of cash and the inability of Africans to repay their countries' debt have crippled African economic growth. The solution rings even simpler: donors should scrap the existing outstanding debt and double financial aid. At the G8 summit of 2005, Tony Blair embraced this message, while Bono and Bob Geldof played a key role in mobilizing fans to put pressure on the G8 members to back such an initiative.

However, distinguished economists, diplomats, and people who have dedicated their lives to ending poverty in developing countries strongly disagree. What turns a developing into a developed nation is not the amount of foreign aid it attracts, "but how the money is spent," as Carlo Cibó, an Italian diplomat who lived for decades in Africa, reminds us.⁶ What really matters is how the African political elite disposes of foreign aid. Most of the half-trillion dollars received by Africa since the 1960s has funded military coups and civil wars, not economic development. During the 1980s alone, at least ninety-two attempted military takeovers took place in sub-Saharan Africa, affecting twenty-nine countries. Between 1982 and 1985, Zimbabwe spent \$1.3 out of \$1.5 billion of foreign assistance on arms and ammunitions.

Historically, foreign aid to Africa has served as a rogue force, notably as an important form of terrorist financing. In war-torn countries such as Ethiopia, Somalia, and Sudan, foreign-asset transfers, defined as the redistribution of external assistance and assets, has provided the most lucrative source of revenue for local armed groups. During the civil war in Sudan, the bulk of food aid intended for famine-stricken regions was spent by local armed groups and warlords, who bought Iraqi weapons to use against the Sudanese army and the population. African governments participate equally in such robberies. The Sudanese government used its share of

foreign aid to buy Iraqi oil to keep the war machinery running and to pay military advisers from Iran. Asset transfer is so widespread that donor countries even accept a built-in 5-percent standard diversion of any aid, in cash or kind. For certain African countries, this percentage goes as high as 20 percent. When foreign aid is not stolen at the source, i.e. before cash or products reach those in need, people will be robbed of their share of aid in or near their homes. This popular form of terrorist financing involves domestic asset transfers in which armed organizations “confiscate” goods at roadblocks scattered around the territory they control or through raids against villages. This straightforward robbery often leads to famine, as happened in Sudan. During the civil war, the Bagara militia from the north pillaged villages in the south, regarded as the stronghold of the Sudanese People’s Liberation Army (SPLA), the local armed group. Among other atrocities, the militia conducted widespread cattle raids, which destroyed the livelihoods of the local population and led to widespread famine in south Sudan.

Aid initiatives, such as Live Aid for Ethiopia in the mid-1980s and the Live 8 concert in 2005, although well intentioned, end up perpetuating civil wars, not mitigating the economic problems of Africa. In the early 1980s, two years of drought did not bring on famine in Ethiopia; rather, it came as a direct result of the massive dislocation of populations forced to flee from decades of civil wars involving the government, Addis Ababa, the Eritrean guerrillas, and the Tigrean People’s Liberation Front. Between 1982 and 1985, Ethiopia received \$1.8 billion in foreign aid, including the Live Aid contribution. Far from feeding the starving population, the bulk of the money, a total of \$1.6 billion, went to purchase military equipment. Without being aware of conditions, Live Aid and foreign donors endorsed the politics of war, unleashing a ruthless fight between armed and criminal groups and the government over the dividing up of foreign

aid. Live Aid and Western aid sealed the tragic destiny of Ethiopia, a country that today is poorer than it was in the early 1980s.⁷

Pop, “feel good” initiatives easily fall prey to rogue economics, especially in African countries. Yet they are popular because they give people the false impression of helping. Carlo Cibó adds that often pop concerts’ message is “give more,” and thus they offer people a clear conscience even while remaining at a comfortable distance from the real, complex problems on the ground. Moreover, what remains after concert expenses are covered is quickly and badly spent, to avoid the image that the money raised does not end up in the organizers’ pockets. This isn’t the type of aid Africa needs.⁸

Even the World Bank remains adamant that abolishing the debt and increasing aid would further impoverish Africa. Ending agricultural tariffs and the \$300-million subsidies that rich countries distribute among their farmers would help much more. Such a strategy could increase African agricultural profits by \$100 billion, i.e. \$20 billion more than the \$80 billion that industrialized countries sent to Africa in aid in 2006. Ending subsidies and tariffs in the developed world would allow African products to freely compete with Western products and generate an inflow of \$500 billion, enough to lift 150 million Africans from poverty by 2015. But campaigning for this type of change would alienate Western farmers, the backbone of President Bush’s electorate and a very important pressure group in Europe. This is the reason why both Bush and Blair welcomed Bono’s suggestion, to hide commercial protectionism behind Western generosity.

The truth behind the “End Poverty” campaign remains that foreign aid is mostly beneficial to those who give it, as proven by the Marshall Plan, which created a novel market for American products. According to Mumo Kisau, an economist who has worked for several humanitarian organizations in Africa, for each dollar in aid that reaches Africa, three go back to the

country giving the aid, mostly because labor and products come from industrialized countries. Thus, aid creates a market for Western products. According to several World Bank sources with whom I spoke, 70 percent of loans go to purchasing goods and services from Western corporations.⁹

Many African leaders who have spoken out against additional foreign aid have instead demanded technology transfer and development of key infrastructures. Africa lacks the structures and personnel to help itself rise from poverty, as shown by the construction of a dam along the river Niger. The \$15-million project went to an American engineering company because the government of Niger proved unable to handle a project of that magnitude.

While the Marshall Plan aimed at kick-starting the reconstruction of war-torn Europe, so that consumers could purchase American products, the financial aid to Africa has opposite goals. To protect its farmers, for example, the European Union, which is a generous donor, still vetoes the sale to Africa of genetically modified seeds that produce crops requiring less irrigation. Aid serves as a sort of insurance that donors pay to protect their own industries from the competition of African products.

Against this background, it becomes clear why foreign aid is the true cause of the malaise of Africa: foreign aid is an economic virus as infectious and deadly as AIDS. The Swedish economist Fredrik Erixon has shown that, since the 1970s, the volume of aid received by African countries has proven inversely proportional to economic growth. Far from being the cure, foreign aid has caused the disease. The more money a country receives, the more it sinks into poverty. Tanzania and Kenya, two countries that in the 1960s, after independence, enjoyed a vigorous rate of growth, began to stagnate in the mid-1970s. Economic decline coincided with the advent of foreign aid. From the 1970s to 1996, Tanzania and Kenya each received about \$16 billion in aid. These monies helped

implement disastrous economic policies. Tanzania pursued a form of African socialism and Kenya a policy of import substitution. Foreign aid did not bring political stability either. In the summer of 1998, members of al Qaeda attacked the United States embassies in Kenya and Tanzania, causing hundreds of deaths. In sharp contrast, Botswana, a country that over the last thirty years has attracted very modest amounts in foreign aid, has grown at a faster rate than China (GDP per capita rose from \$1,600 in 1975 to \$8,000 in 2004) and, politically, Botswana remains one of the most stable countries in Africa.

To back Erixon's thesis, Thomas Sheehy, the author of the comparative study *Beyond Dependence and Poverty: Rethinking U.S. Aid to Africa*,¹⁰ shows that Africa has received on average four times the aid of Asia. Yet today, Africa has a per-capita GDP close to the poverty line, with fifteen countries among the poorest in the world, while Asian GDP booms. A 2007 World Bank report states that world poverty, i.e., the number of people living on less than a dollar a day, is decreasing, thanks to China and India's economic growth.

The problem of Africa is not economic but political. Good governance, not money, will solve it. John Reader's book, *Africa: A Biography of the Continent*, describes the success story of Ukara, a small Tanzanian island in Lake Victoria. A densely populated island with poor sandy soil and no natural vegetation or resources, Ukara has never suffered food shortages or famine. Reader attributes Ukara's success to its system of private ownership of property and absence of chiefs or dictators. African economists remain adamant that Africa does not need more foreign aid, but a bourgeois revolution: the emergence of an entrepreneurial middle class to create local jobs by making and selling products other people want to buy.

Two years from the historic decision to scrap the African debt, the continent has become poorer than ever. None of the

new initiatives have helped, including RED, the pool of companies gathered by Bono, which dedicates a percentage of their sales to help Africa. All they have achieved is free publicity for their own brands. The “End Poverty” fiasco outlines the limitations of celebrities, even when they are well intentioned, when they enter the political arena. They are ill-informed and often lack the scientific and professional background to understand complex issues, such as poverty in Africa, but above all they fall easy prey to the greater performers, politicians, and their Machiavellian marketing machines.

Political illusions complement the market matrix because they contribute to blurring the divide between reality and fantasy. Political illusions lie at the core of the market-state’s propaganda engine; politicians manufacture and the media endorse them. The most powerful illusion to date is the fear of terrorism, carefully constructed to fill the ideological vacuum created by the disintegration of Communism.

THE POLITICS OF FEAR

On a foggy Monday morning, on December 11, 2006, I arrived at Heathrow Airport Terminal 2 at 5:30 in the morning, two hours before I was due to catch an Alitalia flight to Rome. After standing in line for forty-five minutes, I successfully checked in my luggage and went upstairs to discover that the line for security stretched to outside the terminal. To protect unlucky travelers from the freezing fog, the airport authorities had erected heated tents along the terminal’s perimeter. I took my place in the tent at the tail end of the line of passengers, fearing that I would not make my flight. As time passed, travelers grew nervous, old people fell ill, babies started to cry, businessmen looked increasingly annoyed.

When I finally reentered the terminal, I was forced into another winding line, which doubled back several times across

the width of the terminal. On the flight-departure screen the dreaded words “last call” flashed next to five of the seven flights listed. I noticed that several passengers looked at each other in disbelief as they nervously checked their watches and calculated the time it would take them to get through security. Others tried to attract the attention of the officers wearing bright yellow vests, camping in front of the departure entrance. Finally, a tall security guy approached my section of the queue. “My flight is about to depart. Can you let me skip the queue?” a middle-aged businessman asked politely. The man shook his head and explained that he had no instructions to let anybody go through. “What are we supposed to do?” asked a woman next to me. Wait and hope that the plane would not take off on time, was the phlegmatic reply. I pointed out that I, like most of the other passengers, had already checked in my luggage. Removing the luggage from the plane would cost time and money, and surely it would be easier to get me on the plane. At this point the man turned and walked away.

The lack of concern about the cost of delayed departures generated by securities bottlenecks is striking. In 2002, the economist Roger Congleton calculated that every additional thirty minutes spent by passengers in airports costs the economy \$15 billion per year, almost three times the yearly profits of the entire airline industry in the 1990s.¹¹ These astronomic additional costs should be added to the salaries of thousands of people (including those camping at the departure gate that Monday morning) employed since 9/11 by security firms to inspect air passengers.

By the time I reached security, it was 7:30 am. Along with several other people, I began removing all my accessories: belts, boots, hairpins, and so on. I then extracted from the single piece of hand luggage I was permitted to carry on my laptop, makeup, toiletries, and liquid medicine carefully packed in several plastic bags of 20 by 20 centimeters. Sud-

denly, a young couple rushed in front of me and jumped the queue. They deposited their hand luggage on the belt and ran through the metal detector, which immediately started beeping. A security guard stopped the couple and told them to go back to follow the undressing procedure performed by all the other passengers. The man and woman looked at each other and in Italian cried: “We are late, we must run or we will miss our flight.”

As this scene unfolded, Italian passengers stuck in the queue behind me started to protest. They were also going to miss their flight, so why was the couple allowed to jump the line? A shouting match developed. Insults were traded in English and Italian among people clearly stressed to the limit by the whole situation. Behind me an old lady fainted. Security rushed to rescue her and collided with a couple with two screaming infants in a stroller, all being whisked through by a security woman. It was a scene of utter chaos. This is the legacy of 9/11: the additional, often unbearable and unnecessary degree of stress imposed on all of us when we are traveling by the cleverly manufactured “fear of terror.”

TERRORISM BY THE NUMBERS

The belief that today Western air transportation is more likely to fall victim to hijacking than in the past remains one of the many myths of the politics of fear. This is a well-crafted political illusion because boarding a plane from or to Western Europe or North America reached the apex of danger in the 1970s. During that decade, both regions fell victim to thirty-one hijackings, which resulted in twenty-nine deaths. In the 1980s, there were only thirteen hijackings and sixty-one deaths. In the 1990s, the number plummeted to six, with no casualties, and so far in the 2000s, there have been only seven hijackings, four of which took place on 9/11.¹²

Joe Sulmona, an aviation consultant, concurs that since the

1970s, hijackings have significantly decreased, thanks to major improvements in aviation security introduced since the 1980s. New policies and strategies have successfully addressed the threats of that decade. “The aviation industry does not see any longer these fears as confined to particular continents, such as Europe and the Middle East,” explains Sulmona.¹³ “As for suicide missions, until 9/11 they were regarded as a local means of drawing attention to causes and not as part of the perils of hijacking. Prior to 9/11, the protocol was to gain time and to establish a dialogue with the hijackers; this is exactly what aviation authorities did on 9/11. Today the procedure would be very different.” Sulmona confirms that the International Civil Aviation Organization (ICAO) has ad hoc protocols on this matter, and he stresses that replicating 9/11 is not going to be so simple. Today it is much easier to target urban transit systems than to focus on high-security airports and airlines, as shown by the Madrid and London bombings. Psychologically, the impact may even be greater since the average Westerner does not fly everyday but does move about cities constantly. Yet political propaganda remains primarily focused on airport security.¹⁴

Even the probability of Americans or Europeans falling victim to an international terrorist attack was higher in the past.¹⁵ Official statistics from RAND show that in the 1970s, there were 920 international terrorist attacks; in the 1980s, the number rose to 1,219, only to fall to 626 in the 1990s. So far, in the 2000s, the number is only 188 excluding 9/11, which is considered by terrorist experts an exceptional event in which approximately 3,000 people died.¹⁶ Data show that the risk of dying in an international terrorist attack in Western Europe and North America was higher in the 1980s than ever before or since. While 287 people lost their lives in the 1970s, 990 perished in the 1980s. The death toll declined to 367 in the 1990s, and with the exception of 9/11, only 330 people have been killed by international terrorism in the current decade.¹⁷

Statistics on international terrorism do not include domestic terrorist attacks, defined as attacks that do not involve foreign victims. The incidence of international versus national terrorism has increased over the last twenty years because people tend to travel more. A quick analysis of statistics in Europe confirms that even the risk of perishing in a domestic terrorist attack in Europe was much greater in the 1970s than today. In 1972, 467 people, including 103 army officers and soldiers, died because of the IRA conflict. So far, in the 2000s, only fifty-two people have died in the United Kingdom—during the July 7 London bombing.

This trend is apparent all over Europe. Since 1968, Italy has witnessed more than 14,000 terrorist attacks, carried out both by left- and right-wing groups. Most of these took place in the 1970s and early 1980s. In 1973, forty people died, the year after twenty-four fell victim of terrorism, and in 1980, 120 lost their lives in violent action carried out by local groups.¹⁸ In the 2000s, so far, only two people have died because of terrorism in Italy.¹⁹ In 1976, 100 people were assassinated for political reasons in Turkey; by 1978 and 1979, the number had risen to 2,400.²⁰ Right-wing local groups were responsible for the bulk of the assassinations. Terrorist experts across the world concur that both domestic and international terrorism in the Western world peaked in the 1980s and have been declining ever since.

Many people would argue that the reason why we are “more secure” today is because since 9/11 security has been tighter. This is a false impression, which is quickly entering the realms of modern political myths. When I was a student at the University of Rome in the late 1970s, there were road blocks to check people’s identities and inspect their cars all over the city. Yet terrorist activity in the capital was booming. Even the belief that to prevent terrorism it is sufficient to carry less than 100 milliliters of shampoo on board a plane, to take off your boots at departure, and have your fingerprints and

eyes checked upon arrival is nothing more than a comforting illusion for travelers terrorized by their own governments.²¹ Israeli security has proven that the only effective way to screen travelers is by profiling or interviewing them one by one.²²

In 2006, an Italian long-haul pilot told me that far easier and deadlier than making a plane explode in mid-air would be to drive a car bomb straight into one of the terminals of Heathrow Airport at peak time, when the interval between planes taking off and landing is at a minimum. The air surrounding the terminals is saturated with fuel fumes. The detonation would be extremely powerful because of the jet-fuel vapors, and potentially could destroy an entire terminal and kill thousands of people. This was the scenario of the failed attack at Glasgow Airport in the summer of 2007. In the United States, this type of attack is considered the number one aviation threat.²³ However, only a few airports in the world, such as Narita in Tokyo, have facilities to screen cars, because to do so is prohibitively expensive. A proposal to address this threat at Los Angeles airport put the cost of upgrading security at \$9 billion dollars.

Next time you take off your shoes and show your toiletries at airport security during peak time, it might be useful to reflect on the following: with a bit of imagination, a replica of the July 7 suicide mission on the London tube could target the entrance of the terminal. A car driven by a young British Muslim indoctrinated in less than twelve months could drive straight into the entrance. Remember also that constructing a bomb is not going to be a serious impediment, nor is the procurement of ingredients. Type the words, “how to make a bomb” into Google and you will get over 200,000 results, some of which require only substances that can be bought in any drugstore.

ROGUE POLITICAL ILLUSIONISTS

Though politicians want us to believe that new security measures at airports are necessary to save lives, the hunt for terrorists inside terminals has been meager. In 2003, former US Attorney General John Ashcroft told the Senate Judiciary Committee that since 9/11, 478 individuals had been deported (most of them arrested while traveling), yet he failed to specify that they were not terrorists but people guilty of visa violations. The fact that they were repatriated is proof that they were not terrorists (the FBI must affirmatively clear someone of being a terrorism suspect before deportation).²⁴

Politicians have always skillfully manipulated numbers to support their policies, to raise money for their pet projects, and to project more positive scenarios. Robert McNamara inflated enemy body counts to give politicians in Washington the possibility of bragging about the progress the United States was making in Vietnam. However, never before have politicians “cooked the books” to project a dangerous and terrifying future as they are doing today. This trend began before 9/11. In 2001 Andrew Bacevich, a professor of international relations at Boston University, wrote in *Foreign Policy* that the State Department’s 2001 Patterns of Global Terrorism report “not only exaggerates and distorts reality but also obscures the political context in which specific episodes of terrorism actually occur.” According to Bacevich, 170 of the 200 attacks considered international terrorism were bombings of a United States-owned oil pipeline in Colombia.²⁵

Data manipulation and political propaganda have contributed to develop what professor Leif Wenar of the University of Sheffield has labeled “a false sense of insecurity” about terrorism in the “free world.” The motto has been: “Be scared. Be very, very scared. But go on with your lives.”²⁶ This mantra is reinforced by security rituals performed each time

we board a plane. In reality, “we need to be far more concerned with the spread of diseases, narcotics, human smuggling, and other criminal acts through aviation and transportation,” points out Joe Sulmona. “On a day-to-day basis, these threats represent a higher risk of human calamity.” Yet such fears are not publicized by celebrities and cannot be visualized or illustrated with shocking photos. Above all, they do not inflate politicians’ ratings on a wide spectrum. In the aftermath of 9/11, the false sense of insecurity projected by the Bush administration boosted the popularity of an unpopular president and, three years later, provided the electoral platform of his reelection campaign, as anticipated in 2003 by his chief political adviser, Karl Rove.²⁷

The plain truth, carefully hidden behind a web of illusions, is that terrorism is an inefficient killing machine. “Many academic terrorism analyses,” wrote Bruce Hoffman, a leading expert on terrorism at the RAND Corporation, “are self-limited to mostly lurid hypotheses of worst-case scenarios, almost exclusively involving CBRN (chemical, biological, radiological, or nuclear) weapons, as opposed to trying to understand why—with the exception of September 11—terrorists have only rarely realized their true killing potential.”²⁸ Moreover, terrorism is an infrequent activity in the West. “The number of lives lost at the hands of terrorists over the past 30 years is relatively few compared to the thousands who die from drug abuse, or cancer or automobile accidents in any given year,” adds Sulmona. Terrorism is not a major global killer; on the contrary, for a Westerner, the chances of dying in a terrorist attack are a fraction of those of winning the lottery. As US Senator John McCain put it: “Calculate the odds of being harmed by a terrorist! It’s still about as likely as being swept out to sea by a tidal wave.”²⁹

The law of the big numbers seems to contradict the nightmare scenario projected by the political illusionists. Americans are more likely to be killed in their own home than fall vic-

tims to a terrorist attack. In the United States, each year, 16,000 people lose their lives to homicide. As I write, deaths resulting from car accidents since 9/11 in America total more than 200,000. The chance that an American will die in a plane crash is about 1 in 13 million (even taking 9/11 into account), while to reach that same level of risk when driving on America's safest roads, i.e. rural interstate highways, one would have to travel a mere 11.2 miles.³⁰ People are more likely to die while driving to the airport than to be blown up by a terrorist inside the terminal or in midair.

Even taking the highest terrorist casualties, which occurred in 1995, when over 6,000 people died worldwide, this figure is a fraction of the 50,000 to 100,000 people who die every year from snake bites, never mind the 10 million children who perish from preventable causes, such as malnutrition and malaria. So why are we so scared? The answer must be sought in the mythology that politicians constructed to legitimize the market-state.

CHAPTER NINE—TWENTIETH-CENTURY GREAT ILLUSIONISTS

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7. Edward B. Driscoll, Jr., “We Are The ‘80’s! Live Aid Then, and Now,” *Daily Standard*, December 17, 2004, <http://www.weeklystandard.com/Content/Public/Articles/000/000/005/031arivi.asp>; see also “Live Aid, the End Result,” http://www.digitaljournal.com/article/203957/Op_Ed_Live_Aid_The_End_Result.
8. Cappelletto, “La Cooperazione.”
9. Interview with various World Bank employees, June 2006.
10. Thomas P. Sheehy, “Beyond Dependence and Poverty: Rethinking U.S. Aid to Africa,” The Heritage Foundation, June 25, 1993, <http://www.heritage.org/Research/MiddleEast/bg947.cfm>.
11. Profits never exceeded \$5.5 billion per year. See Roger D. Congleton, “Terrorism, Interest-Group Politics, and Public Policy,” *Independent Review*, Summer 2002, 62.
12. MIPT-RAND database.
13. Interview with Joe Sulmona, aviation consultant, January 2007. All subsequent statements from Sulmona are taken from this interview.
14. This attitude is changing; in the United States and Canada, governments are moving quickly to secure passenger and freight rail systems, and of course, in Europe, where transit bombings have occurred, these security measures are quickly developed.
15. The US State Department defines international terrorism as “premeditated, politically motivated violence perpetrated against non-combatant targets by sub-national groups or clandestine agents, usually intended to influence an audience.” An international attack must, therefore, involve the citizens or territory of more than one country. “So when a group of Russian nationals bombed a plane carrying 46 other Russian travellers in August 2004, it was considered purely domestic. A near simultaneous attack on another plane, also perpetrated by Russians, happened to carry one Israeli citizen and was called international.” Attacks statistically reported must also be significant; “an incident is judged to be *significant* if it caused death or serious injury to non-combatants or amounted to more than \$10,000 in property damage.” See <http://www.cdi.org/program/document.cfm?DocumentID=3391>.
16. MIPT-RAND database.
17. Data refer to the end of 2006. MIPT-RAND database.
18. Laqueur, *Terrorism*.
19. *Ibid.*

16. MIPT-RAND database.
17. Data refer to the end of 2006. MIPT-RAND database.
18. Laqueur, *Terrorism*.
19. Ibid.
20. Ibid.
21. Thus, we should not be surprised that the United States has just abandoned its ambitious US-VISIT program because of high costs and difficulties in implementing it at all borders.
22. What is shocking is the degree of abuse and waste of taxpayers' money that has taken place since 9/11. A confidential audit performed in 2005 by the Defense Contract Audit Agency at the Transportation Security Administration (TSA) in the United States and obtained by the *Washington Post* shows the following items among expenses: "\$526.95 for one phone call from the Hyatt Regency O'Hare in Chicago to Iowa City; \$1,180 for 20 gallons of Starbucks Coffee—\$3.69 a cup—at the Santa Clara Marriott in California; \$1,540 to rent 14 extension cords at \$5 each per day for three weeks at the Wyndham Peaks Resort and Golden Door Spa in Telluride, Colorado; \$8,100 for elevator operators at the Marriott Marquis in Manhattan; \$5.4 million claimed for nine months' salary for the chief executive of an 'event logistics' firm that received a contract before it was incorporated and went out of business after the contract ended; \$20-an-hour temporary workers billed to the government at \$48 per hour, subcontractors who signed out \$5,000 in cash at a time with no supporting documents, \$377,273.75 in unsubstantiated long-distance phone calls, \$514,201 to rent tents that flooded in a rainstorm, \$4.4 million in 'no show' fees for job candidates who did not appear for tests." Overall, the audit questioned \$303 million of the \$741 million spent to select and employ additional security for TSA since 9/11. The lesson to be learned from this fiasco can be summarized as follows: "If terrorists force us to redirect resources away from sensible programs and future growth, in order to pursue unachievable but politically popular levels of domestic security, then they have won an important victory that mortgages our future." David L. Banks, "Statistics for Homeland Defense," *Chance* 15, no.1 (2002), 10.
23. Sara Kehaulani Goo, "Going the Extra Mile: L.A.'s Airport Safety Plan Puts Pickups, Drops Far From Curb," *Washington Post*, April 9, 2004.
24. Airport employees have also been mistakenly labeled terrorists. "In Western North Carolina, one group of 66 terrorists was actually 66 illegal immigrants working at Charlotte/Douglas International Airport, who pled guilty to misusing visas, permits, and social security numbers. For their crimes, the workers got about a month in jail, a small fine, and were then released to immigration officers." Alexander Gourevitch, "Body Count: How John Ashcroft's Inflated Terrorism Statistics Undermine the War on Terrorism," *Washington Monthly*, June 2003.
25. Ibid.
26. Siobhan Gorman, "Fear Factor," *National Journal*, May 10, 2003.
27. Francis X. Clines, "Karl Rove's Campaign Strategy Seems Evident: It's the Terror, Stupid," *New York Times*, May 10, 2003.
28. Bruce Hoffina, "Rethinking Terrorism and Counterterrorism Since 9/11," *Studies in Conflict and Terrorism*, 25 (2002): 311-312; see also John Mueller, "Why Isn't There More Violence?" *Security Studies* 13 (2004): 191-203.
29. John McCain and Mark Salter, *Why Courage Matters: The Way to a Braver Life* (New York: Random House, 2004), 35-36.
30. Michael Sivak and Michael J. Flannagan, "Flying and Driving After the September 11 Attacks," *American Scientist* 91, no.1 (2003), 6-9.

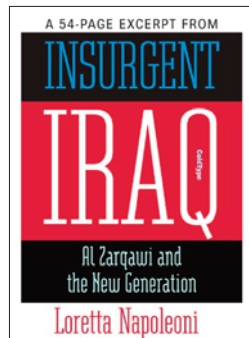
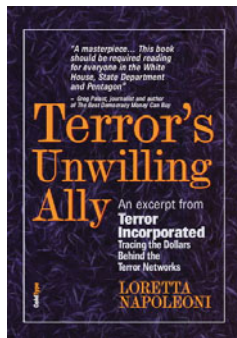
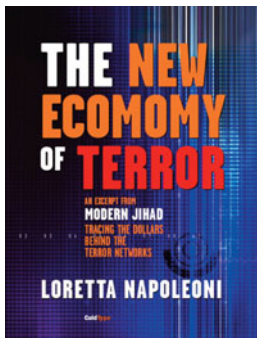


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