

"Insurance versus Terrorism in Era of Globalization"


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Globalization

First topic: The Process and Concept of globalization.

Second topic: Dimensions of globalization (economic, political, social and technological).

The background of the slide is a photograph of a city in a state of total destruction. Thick, dark smoke billows from the ground, partially obscuring the sky. In the foreground and midground, the remains of buildings and vehicles are visible, many of which are engulfed in bright orange and yellow flames. The overall atmosphere is one of chaos and devastation.

Third topic: Indexes of globalization and measurement mechanisms.

Fourth topic: Globalization Actors (individuals, civil society organizations, transnational corporations, terrorist groups and States).

Global Terrorism

First topic: What is terrorism?

Second topic: Roots of contemporary terrorism.

Third topic: Causes of terrorism.

Fourth topic: Forms and types of terrorism.

Fifth topic: Terrorism in local, Arab and international laws and regulations.

The impact of global terrorism on insurance in the context of globalization

First topic: Economy as the driving force for globalization.

Second topic: Contemporary insurance as an active actor in globalization.

Third topic: Insurance as a transnational industry.

Fourth topic: Impacts of terrorism (positive and negative) on insurance.

Fifth topic: the correlation between terrorism and insurance.

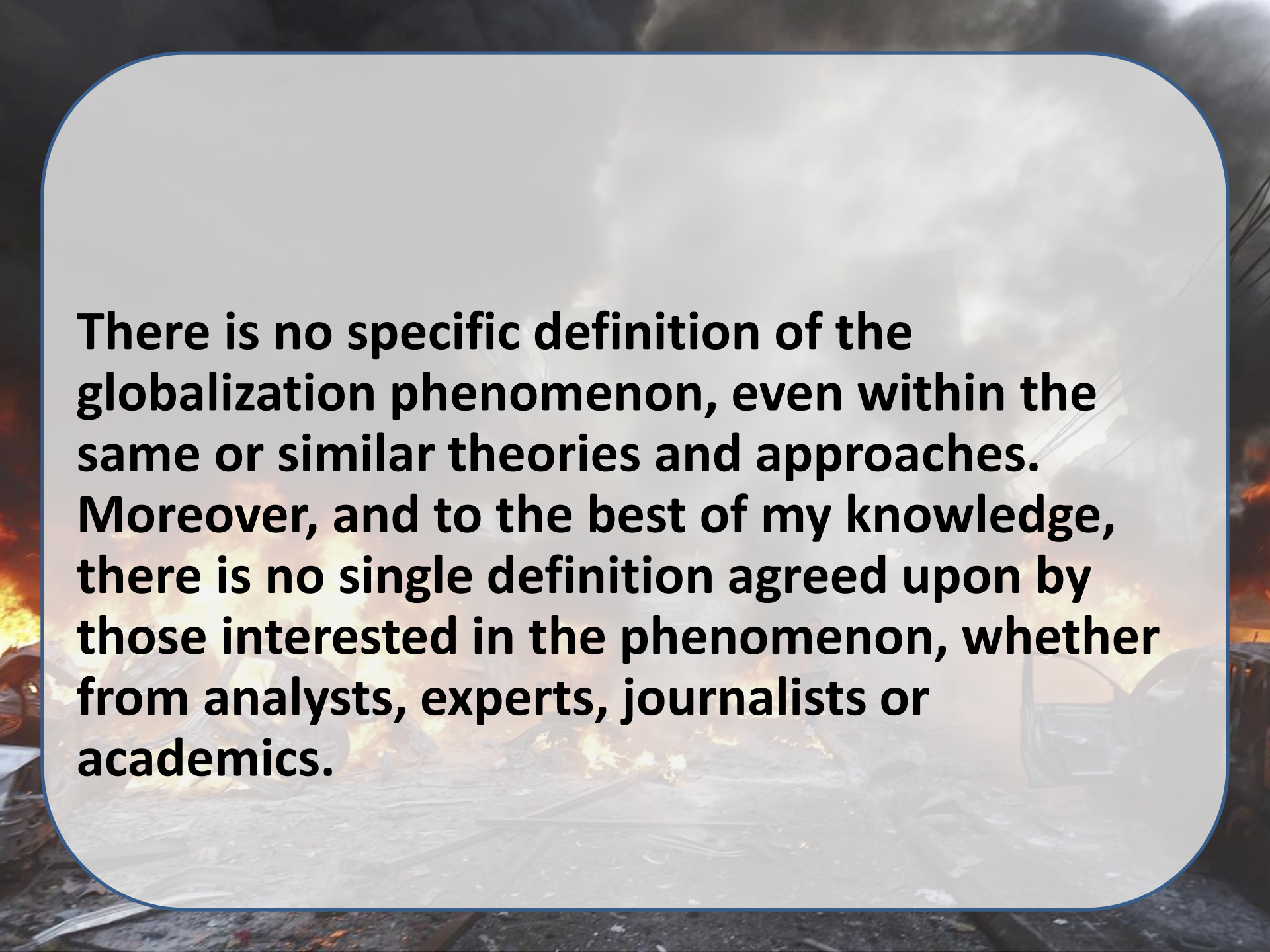
Globalization

Process and concept of globalization

Concept of Globalization:

Globalization is a highly ambiguous process that bears various dimensions, mechanisms, and indexes.

It has also even further interpretations and definitions, which makes it a fertile ground for conflicting and different approaches.

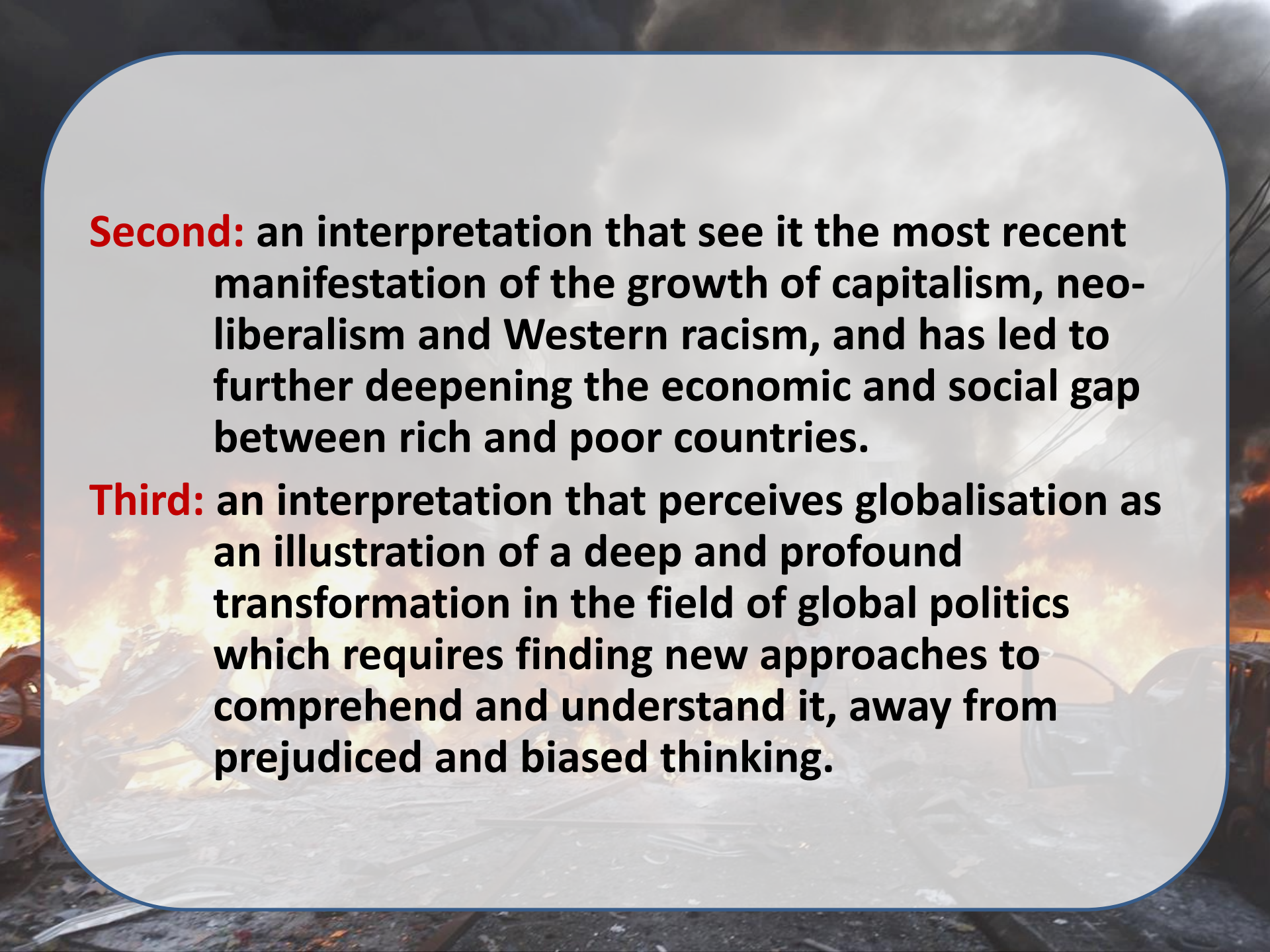
The background of the slide is a photograph of a city street scene in flames. Thick black smoke rises from the fire, and bright orange and yellow flames are visible. In the foreground, there is a car that has been crushed or overturned, with its metal body mangled. The scene is chaotic and depicts a major disaster or conflict.

There is no specific definition of the globalization phenomenon, even within the same or similar theories and approaches. Moreover, and to the best of my knowledge, there is no single definition agreed upon by those interested in the phenomenon, whether from analysts, experts, journalists or academics.



The main theoretical interpretations and principles which explain the phenomenon using different concepts as follows:

First: an interpretation which suggests that the phenomenon is no more than a passing phase in the human history, and hence there is no need to revisit our perceptions towards world politics.

The background of the slide is a photograph of a city in a state of total devastation. Thick, dark smoke billows from the ground, partially obscuring the sky. In the foreground and midground, the remains of buildings and infrastructure are visible, including twisted metal and charred debris. The overall atmosphere is one of chaos and destruction, with a color palette dominated by greys, blacks, and the bright oranges and yellows of fire and smoke.

Second: an interpretation that sees it as the most recent manifestation of the growth of capitalism, neo-liberalism and Western racism, and has led to further deepening the economic and social gap between rich and poor countries.

Third: an interpretation that perceives globalisation as an illustration of a deep and profound transformation in the field of global politics which requires finding new approaches to comprehend and understand it, away from prejudiced and biased thinking.

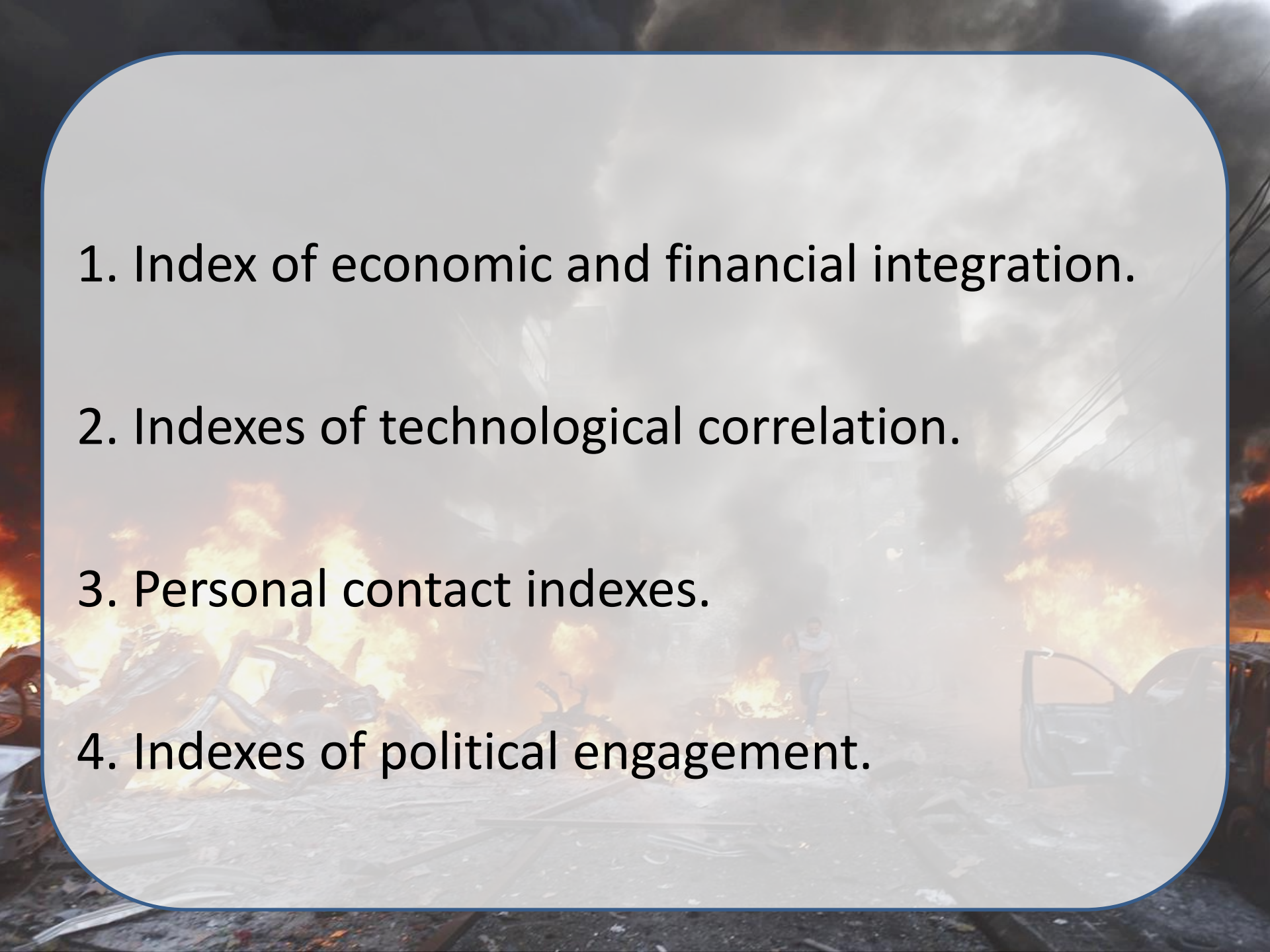
My definition of globalisation, however, is as follows:

"The accelerated process of effective and decisive influence of the technological development through which political, social, economic, cultural and technological relations acquire features which are disentangled from natural and artificial distances and boundaries.

The second topic: Dimensions of globalization (economic, political, social and technological)

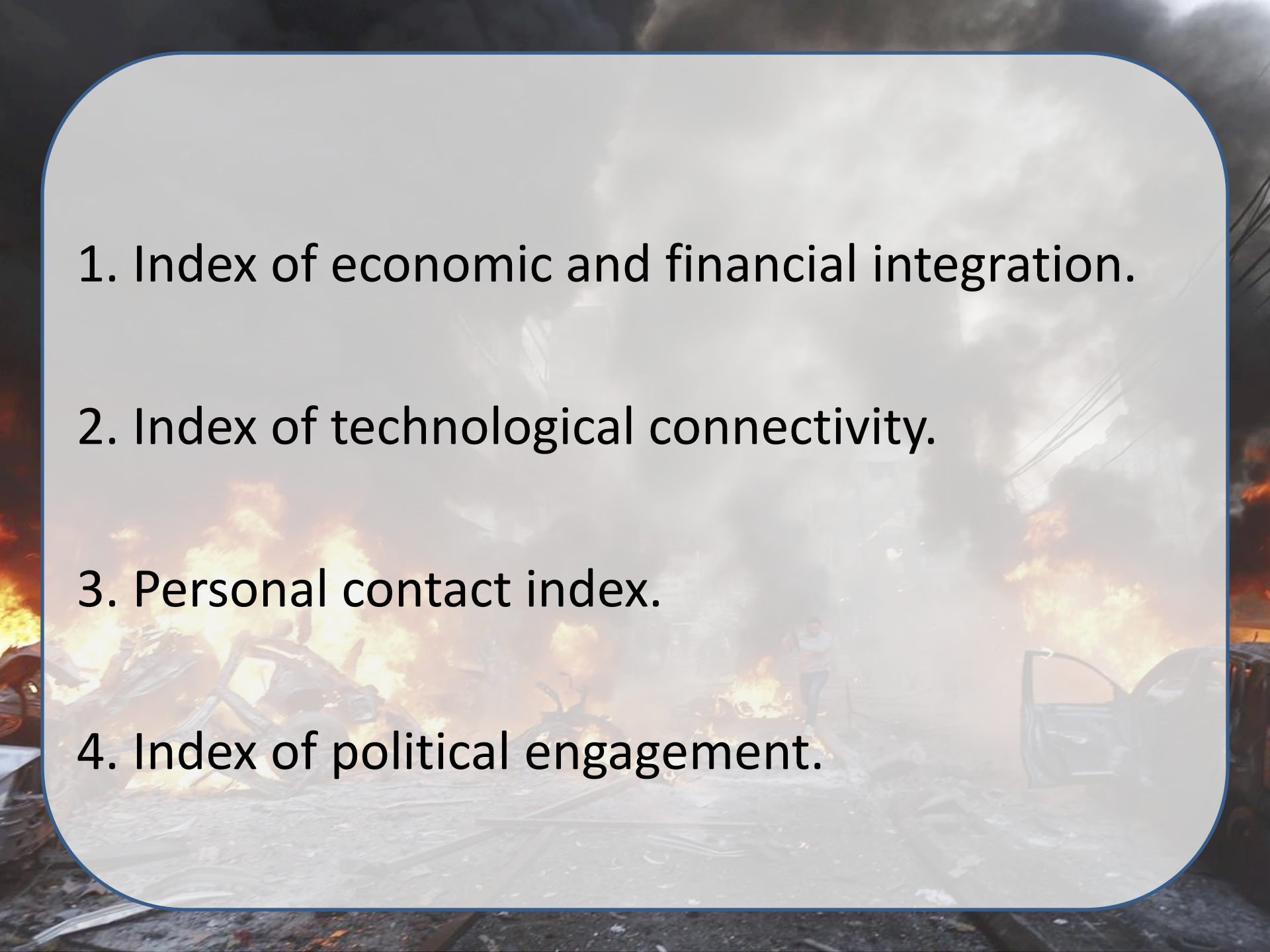
There are four dimensions of globalization: economic, political, social, and technological.

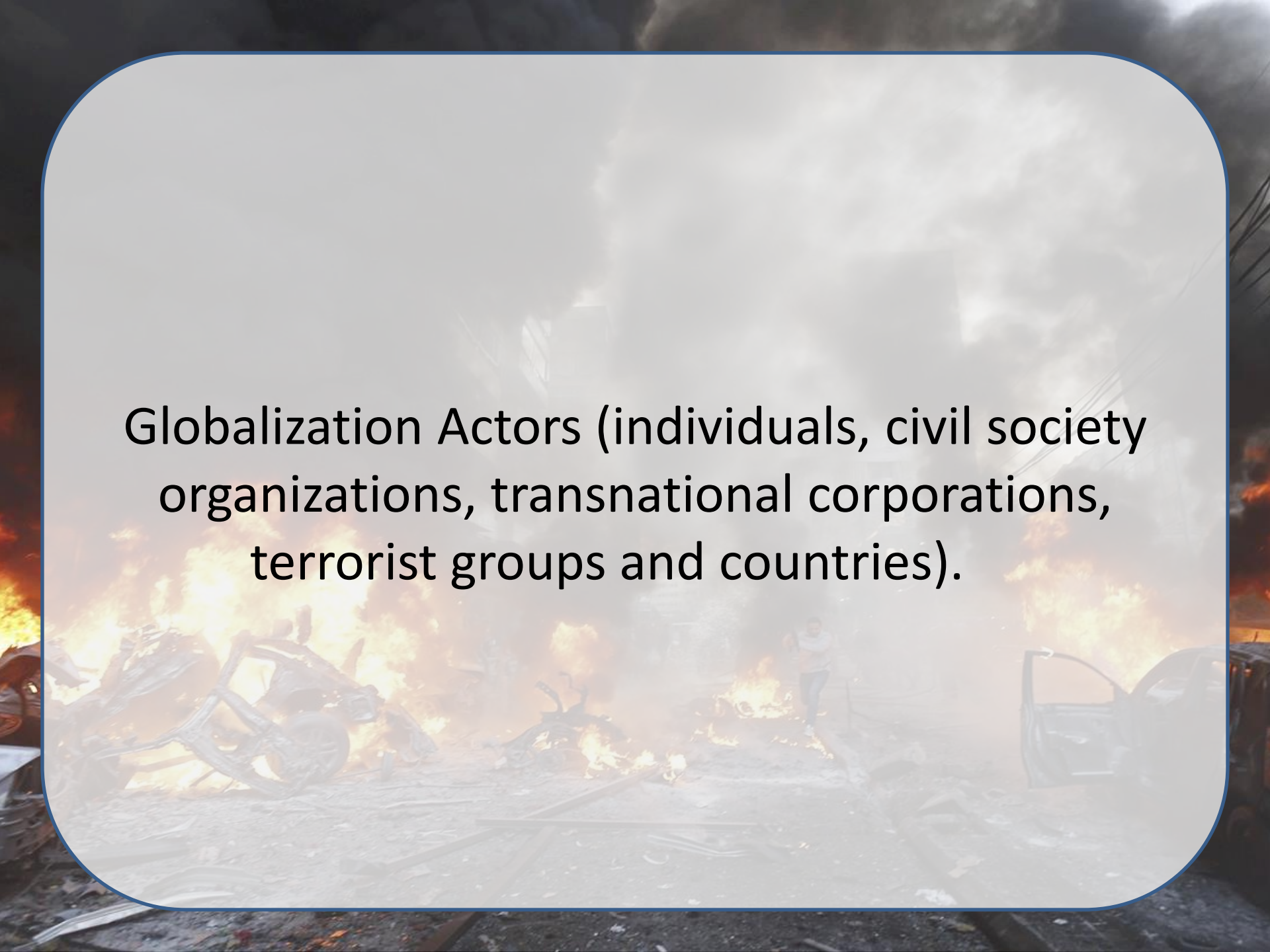
These indexes are divided into four main groups with twelve sub-indexes, where each main index encompasses three sub-indexes. The four main indexes are divided into:

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1. Index of economic and financial integration.
 2. Indexes of technological correlation.
 3. Personal contact indexes.
 4. Indexes of political engagement.

Globalization Index and measurement mechanisms

Among other institutions specialized in measuring globalization indexes, A.T. KEARNY Foundation (see Table 1) has exclusively built a special mechanism aimed at measuring the degrees of globalization in its various economic, political, social, cultural and technological dimensions, by categorizing these indexes to four major groups which include twelve sub-indexes; each major index include three sub-indexes. The four major indexes are as follows:

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1. Index of economic and financial integration.
 2. Index of technological connectivity.
 3. Personal contact index.
 4. Index of political engagement.

The background image shows a chaotic street scene with large fires, smoke, and debris. A semi-transparent white box with rounded corners and a blue border is overlaid on the image, containing the text. The text is centered and reads: "Globalization Actors (individuals, civil society organizations, transnational corporations, terrorist groups and countries)."

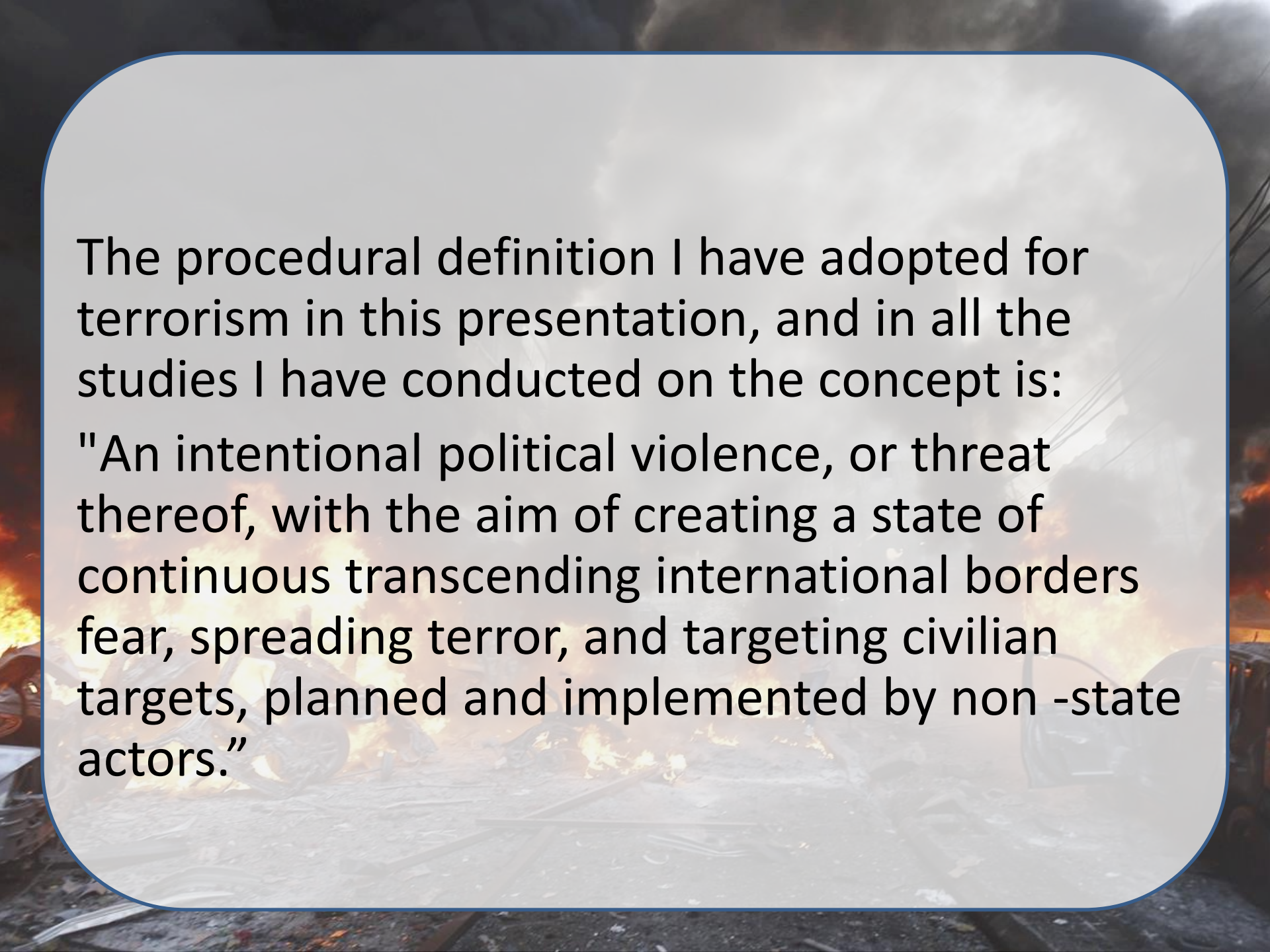
Globalization Actors (individuals, civil society organizations, transnational corporations, terrorist groups and countries).

Global Terrorism

First topic: What is terrorism?

There are three common criteria in defining terrorism, including:

- (1) Violence and its use.
- (2) Psychological impact and fear.
- (3) Political Goals.

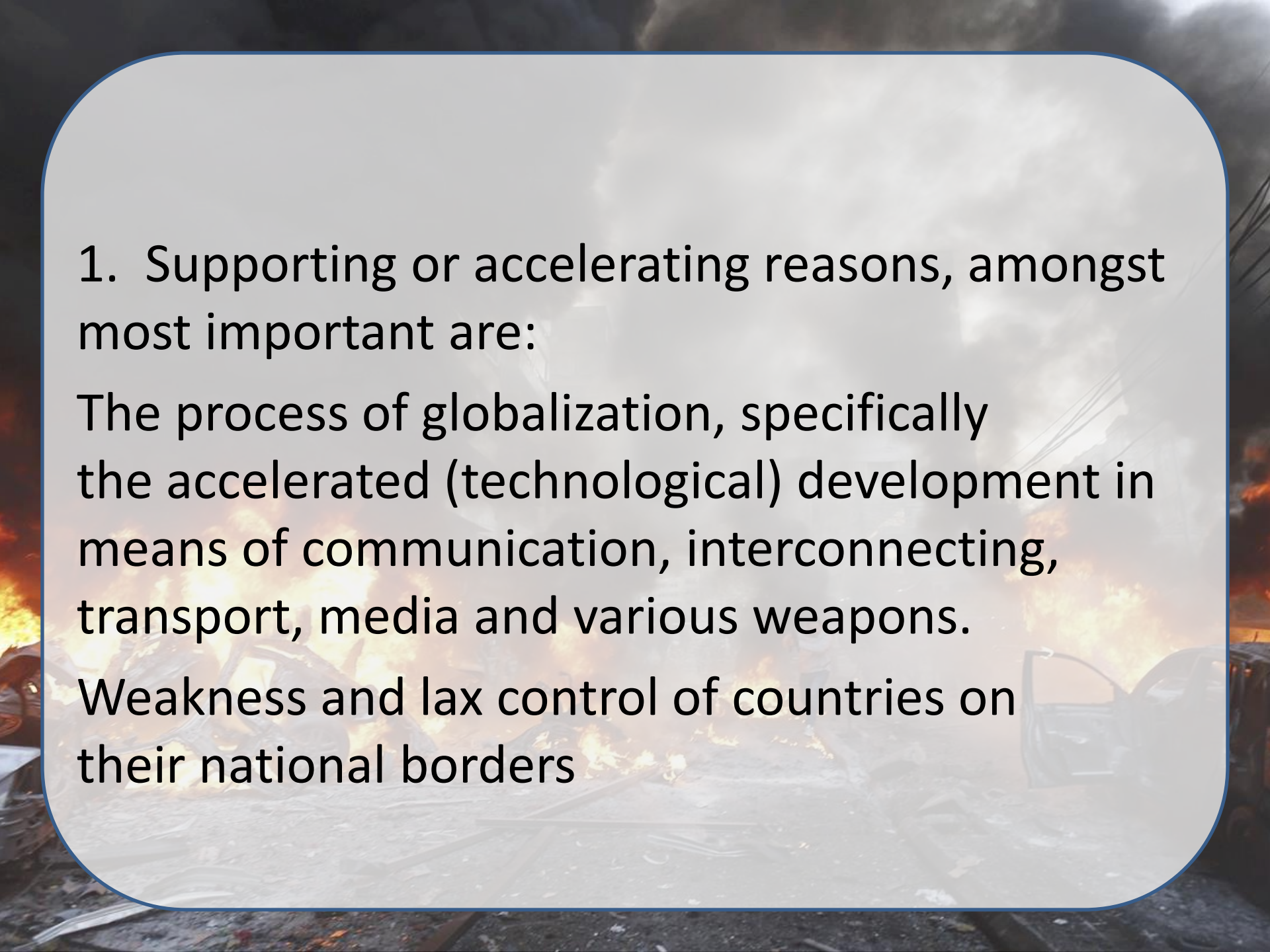


The procedural definition I have adopted for terrorism in this presentation, and in all the studies I have conducted on the concept is:

"An intentional political violence, or threat thereof, with the aim of creating a state of continuous transcending international borders fear, spreading terror, and targeting civilian targets, planned and implemented by non -state actors."

Third topic: the causes of terrorism

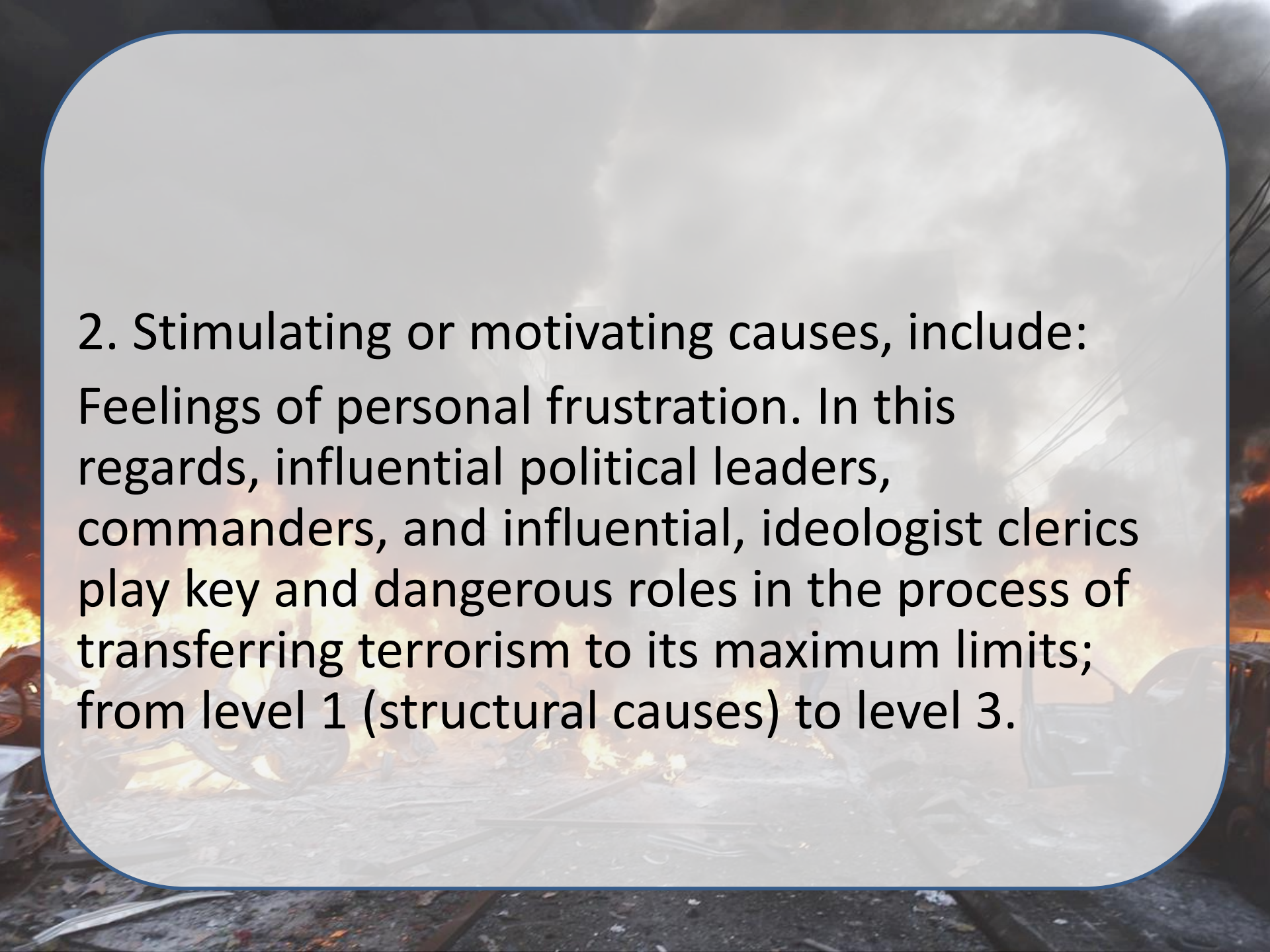
In a major study, contributed by 30 researchers and academics, sponsored by the Norwegian Institute of International Affairs in Oslo, published in June 2003, it has been concluded that there are three main reasons for terrorism:



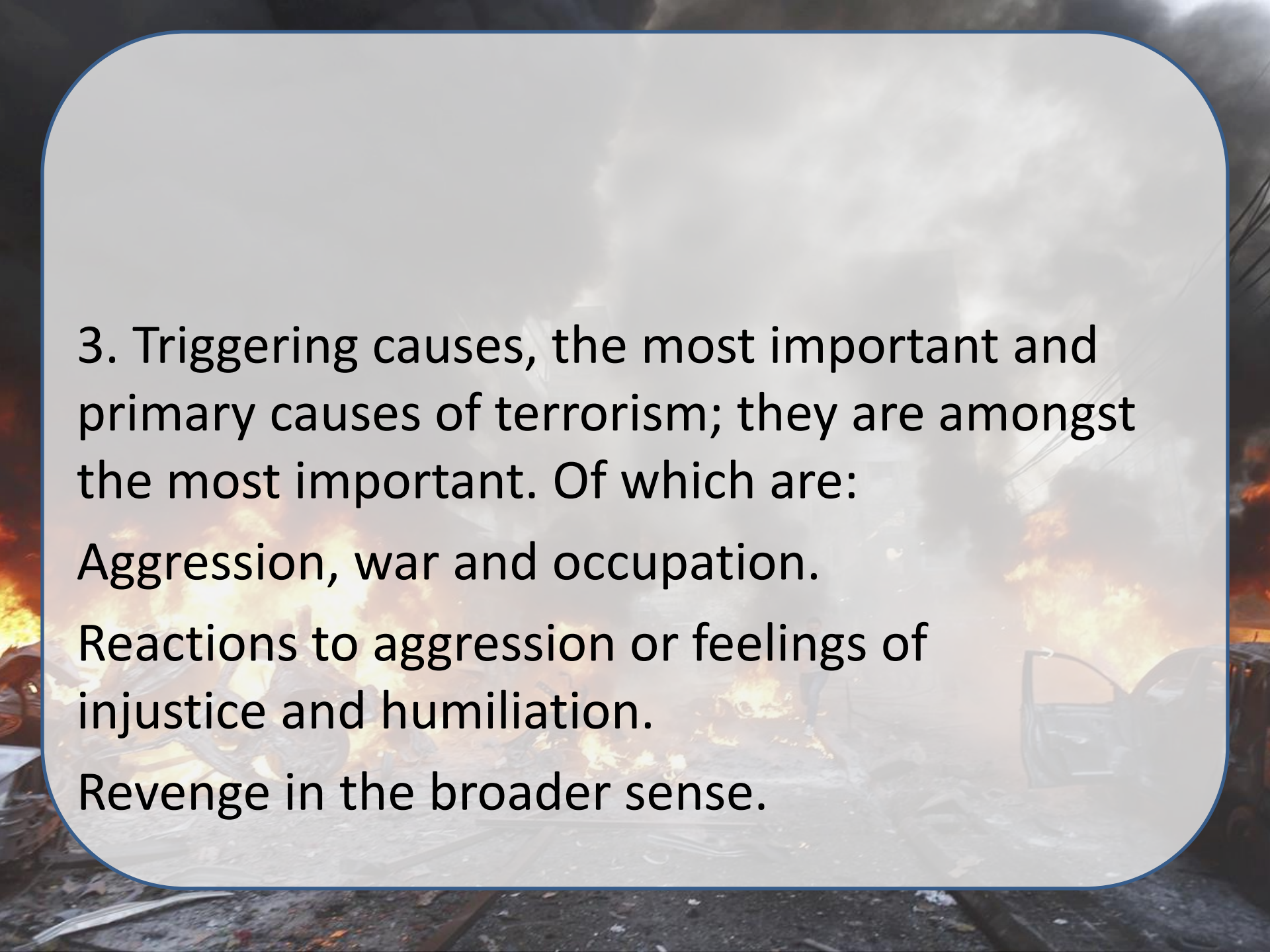
1. Supporting or accelerating reasons, amongst most important are:

The process of globalization, specifically the accelerated (technological) development in means of communication, interconnecting, transport, media and various weapons.

Weakness and lax control of countries on their national borders



2. Stimulating or motivating causes, include:
Feelings of personal frustration. In this regards, influential political leaders, commanders, and influential, ideologist clerics play key and dangerous roles in the process of transferring terrorism to its maximum limits; from level 1 (structural causes) to level 3.



3. Triggering causes, the most important and primary causes of terrorism; they are amongst the most important. Of which are:

Aggression, war and occupation.

Reactions to aggression or feelings of injustice and humiliation.

Revenge in the broader sense.

Fourth topic: Forms and types of terrorism

Terrorism in terms of the perpetrators of terrorist acts takes

Three forms: individual terrorism, terrorism of organizations and groups, and state terrorism.

This presentation (as I mentioned in my definition of terrorism) focuses on the terrorism of groups and organizations or what is so-called in fields of international relations and politics international as the non-state actors.

Terrorism in local, Arab and international laws and regulations

There is a rapid globalization drive in the field of drafting and modernizing legislations and laws at the level of countries, institutions, organizations and research centers across the world to confront the threat of terrorism and (set the) litigation procedures for prosecuting those involved in terrorist acts or to claim financial cases and losses resulting from terrorist acts.

The impact of global terrorism on insurance in the context of globalization

First topic: Economy as the driving force for globalization

Second topic: Contemporary insurance as an active player in globalization

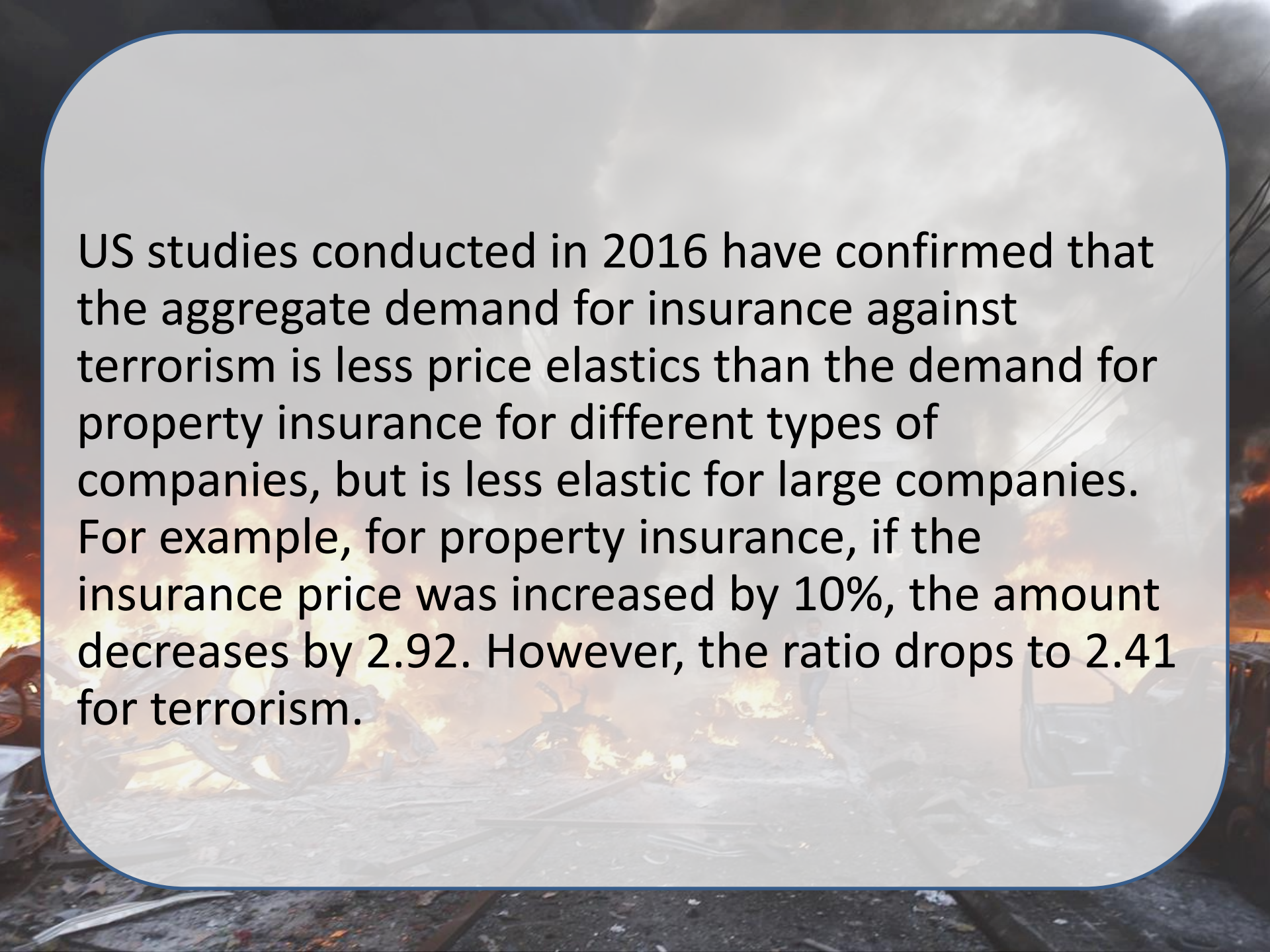
Third topic: Insurance as a cross-boarders industry

Fourth topic: Effects of terrorism (positive and negative) on insurance.

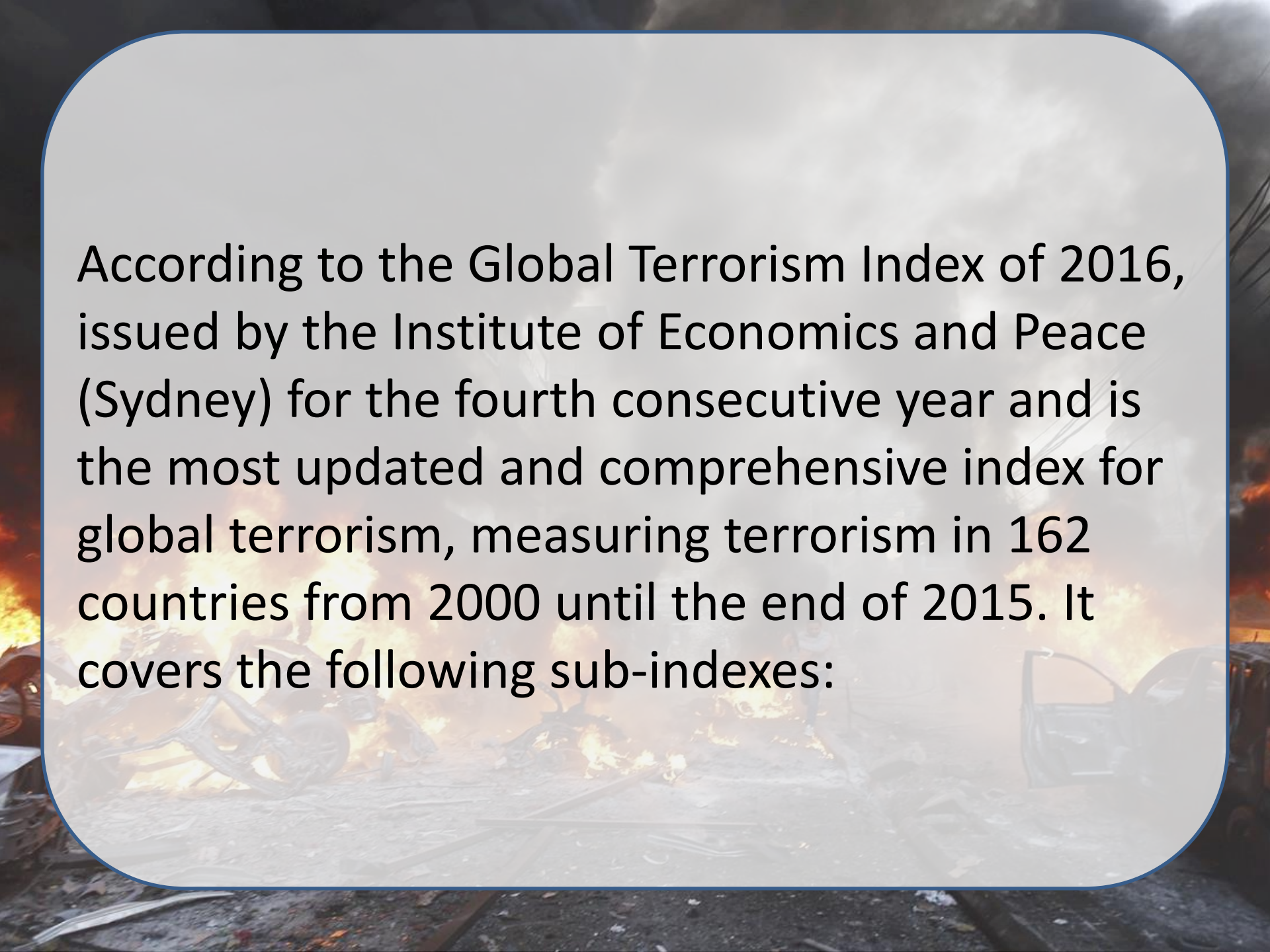
Fifth topic: the correlation between terrorism and insurance

Risks are categorized in two classifications

1. Catastrophic risks: The catastrophe insurance covers earthquakes, hurricanes and terrorist attacks.
2. Non-catastrophic risks: It is understandable that the demand for insurance will vary due to the nature of risks involved and that dealing will vary between catastrophic and non-catastrophic risks.

The background of the slide is a photograph of a destroyed building, likely a result of a terrorist attack. The scene is filled with thick, grey smoke rising from the ground. In the foreground, there is a large pile of rubble, including twisted metal and debris. To the right, a damaged car is visible, partially obscured by the smoke. The overall atmosphere is one of devastation and chaos.

US studies conducted in 2016 have confirmed that the aggregate demand for insurance against terrorism is less price elastic than the demand for property insurance for different types of companies, but is less elastic for large companies. For example, for property insurance, if the insurance price was increased by 10%, the amount decreases by 2.92. However, the ratio drops to 2.41 for terrorism.



According to the Global Terrorism Index of 2016, issued by the Institute of Economics and Peace (Sydney) for the fourth consecutive year and is the most updated and comprehensive index for global terrorism, measuring terrorism in 162 countries from 2000 until the end of 2015. It covers the following sub-indexes:

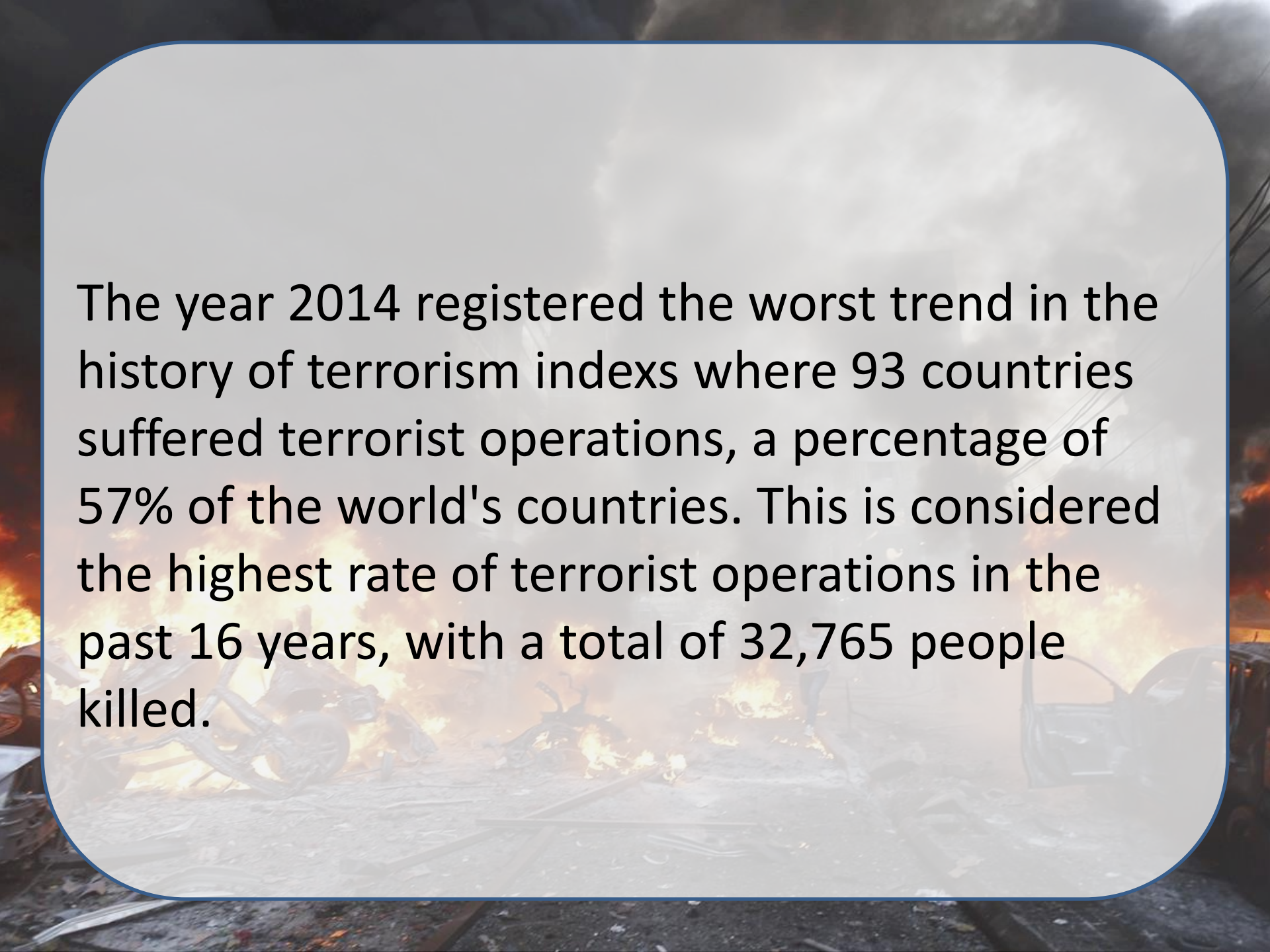


1. Loss of life.

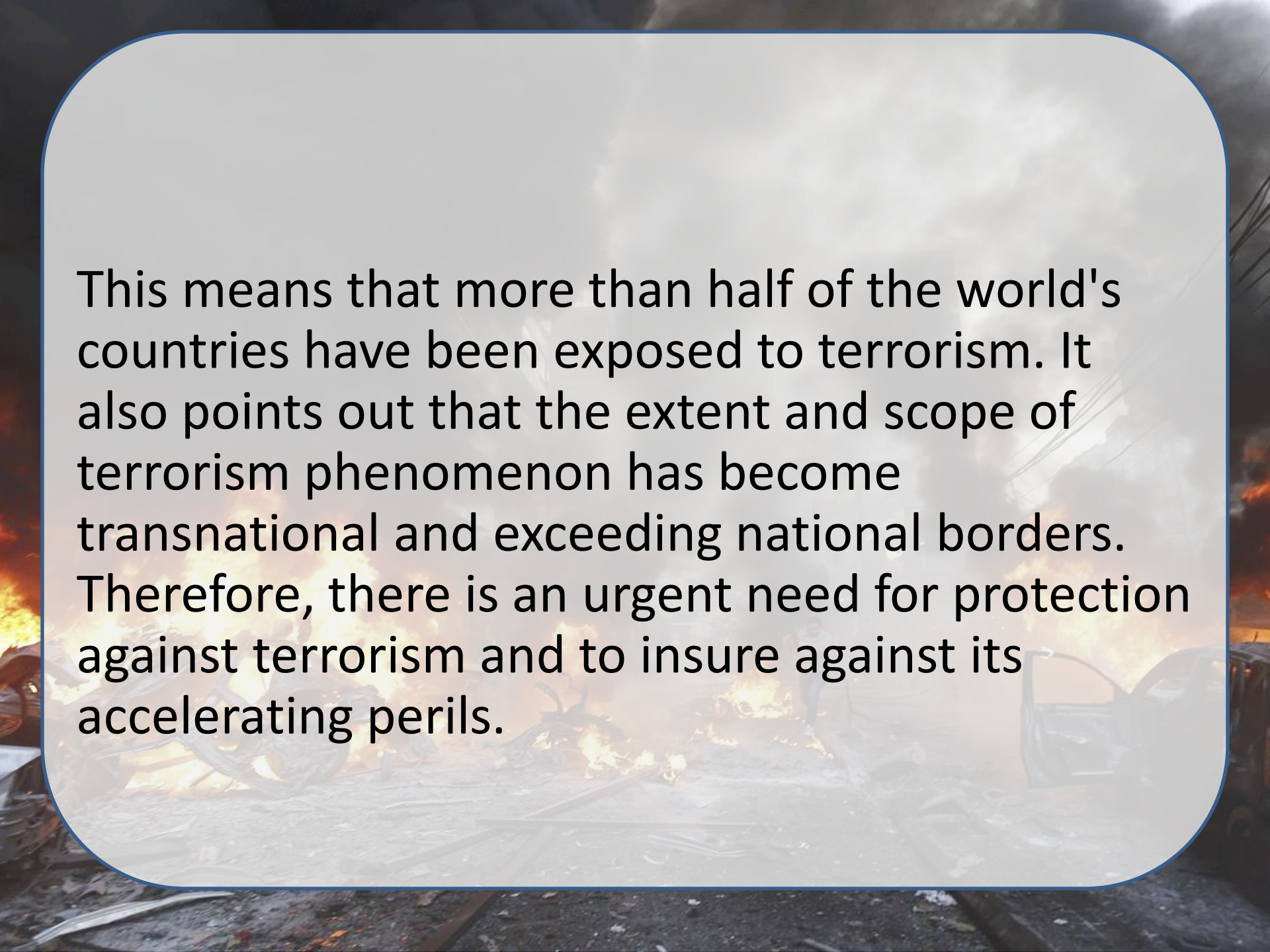
2. Injuries/casualties.

3. Losses in public/private properties.

4. The physiological effects caused by terrorism.



The year 2014 registered the worst trend in the history of terrorism indexes where 93 countries suffered terrorist operations, a percentage of 57% of the world's countries. This is considered the highest rate of terrorist operations in the past 16 years, with a total of 32,765 people killed.



This means that more than half of the world's countries have been exposed to terrorism. It also points out that the extent and scope of terrorism phenomenon has become transnational and exceeding national borders. Therefore, there is an urgent need for protection against terrorism and to insure against its accelerating perils.