Infrastructure Jihad: Exploring the Islamic State’s Use of “Economic War”

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Dedicated to Prof. Barak Mendelsohn. Thank you for all the advice, teaching, and life training. I would not be here without all the support and guidance over the last two years. And to my family, friends, and the Haverford College Women’s Lacrosse team: I would not be able to complete this project without you.
# Table of Contents

Chapter 1: Introduction ........................................................................................................................................... 5

Chapter 2: Background on the Islamic State ........................................................................................................... 12

Chapter 3: A Review of Armed Non-State Actor Strategies .................................................................................. 27
  What is a strategy? .................................................................................................................................................. 27
  Armed Non-State Actor Goals ............................................................................................................................. 28
  Typology of Strategies ........................................................................................................................................ 29
  Armed Non-State Actors Adoption of Strategy .................................................................................................. 35

Chapter 4: A Theory of “Economic War” ................................................................................................................. 37
  Defining “Economic War”? ................................................................................................................................. 37
  “Economic War” as an Armed Non-State Actor Strategy .................................................................................. 41
  Factors Shaping the Use of “Economic War” ...................................................................................................... 51
  Methodology ...................................................................................................................................................... 64

Chapter 5: Previous Jihadi Usage of “Economic War” .......................................................................................... 70

Chapter 6: Discussion of the Islamic State’s “Economic War” .............................................................................. 74
  The Islamic State’s Historical Relationship with Oil and other Economic Interests......................................... 74
  The Data .............................................................................................................................................................. 76
  Analysis of Hypotheses ....................................................................................................................................... 84
    H1 ................................................................................................................................................................. 84
    H2 ............................................................................................................................................................... 94
    H3 ............................................................................................................................................................ 100
    H4 ............................................................................................................................................................ 107

Chapter 7: Conclusion ............................................................................................................................................. 112

Works Cited ............................................................................................................................................................ 120
Figures

Chapter 3:
Figure 1: Armed Non-State Actor Strategies

Chapter 4:
Figure 1: Graph of the Countries Facing the Most Energy Utility Attacks 2010-2019
Figure 2: The Goals and Underlying Strategies of “Economic War”
Figure 3: Table of Hypotheses 1-4
Figure 4: An example of an article in Al-Naba discussing “Economic War”

Chapter 6:
Figure 1: Islamic State Attacks on Critical Infrastructure, Jan. 2016 - Apr. 2022
Figure 2: IS Critical Infrastructure Attacks and Total IS Attacks Jan. 2016 – Apr. 2022
Figure 3: Share of “Economic War” Attacks of Total IS Attacks Jan. 2016 – Apr. 2022
Figure 4: Image in Al-Naba 294 of IS attacks on Iraqi electrical infrastructure
Figure 5: The Targeted Sectors of “Economic War”
Figure 6: The Critical Infrastructure Targets of “Economic War”
Figure 7: The Locations of “Economic War”
Figure 8: Image of the “Siniya” Oil Refinery Attack in November 2020
Figure 9: Images of Islamic State attacks during its “Pylon Campaign in Iraq”
Figure 10: Role of “Economic War” in Islamic State Attritional Wars from 2019-2021
Figure 11: Explosion caused by an IS attack on a gas pipeline linking Israel and Egypt
Figure 12: The Number of Islamic State Claimed Attacks per Year (2016-2021)
Figure 13: The Use of “Economic War” per Iraqi State-Established Province

Chapter 7:
Figure 1: The Results of My Analysis
Chapter 1: Introduction

From October 2015 to October 2021, the Islamic State (IS) carried out over 26,000 attacks across its 13 Wilayat, or provinces, in the Middle East, North Africa, West Africa, Central Africa, Southeast Asia, and Central Asia.¹ The Islamic State has proven its ability to act as a lethal force around the world, carrying out terror attacks, controlling large swaths of territory, and unleashing human and economic suffering. One of the Islamic State’s recent strategies is its “Economic War,” in which the group seeks to target critical infrastructure sites to weaken local regimes and Western economic interests.

To analyze the total impact of the Islamic State’s “Economic War,” I constructed a dataset of the organization’s attacks on critical infrastructure targets utilizing Al-Naba, the Islamic State’s Arabic-language weekly magazine. Through an analysis of my dataset of the organization’s “Economic War,” I estimate that between January 2016 and March 2022, the Islamic State has carried out 558 attacks on critical infrastructure. Over this period, I estimate that the amount of “Economic War” attacks have increased at least 670 percent. Similarly, mentions of the strategy in the organization’s media publications have increased. These attacks have not only occurred more frequently in the group’s home base in Iraq and Syria, but also across several of its Wilayat, including in Egypt, Afghanistan, West Africa, and Central Africa.²

Ultimately, this thesis will seek to investigate the reasons for why the Islamic State wages “Economic War.” Additionally, I analyze the degree of coordination of this strategy across Islamic State Wilayat to understand if one branch is driving this increase in attacks on critical

² Morgan.
infrastructure or if it is evenly distributed across all regions. Furthermore, I study how “Economic War” serves IS’s political goals and how the strategy fits within the broader Jihadi movement. Finally, I evaluate the impact of this strategy on the group’s popular support.

I define “Economic War” as a strategy in which armed-non-state actors attack critical infrastructure with the goals of weakening a local regime’s power, attacking the global economy, and targeting Western economic interests. In 2013, the Obama Administration identified 16 areas of critical infrastructure sectors for protection and enhancement. These sectors include chemical, commercial facilities, communications, critical manufacturing, dams, defense industrial base, emergency services, energy, financial services, food and agriculture, government facilities, healthcare and public health, information technology, nuclear facilities, transportation systems, and water systems. Section 1016(e) of the USA Patriot Act of 2001 (42 U.S.C. 5195c(e)) definition of critical infrastructure as “vital systems whose destruction could have a debilitating impact on U.S. national human and economic security.” Thus, critical infrastructure is a vulnerable aspect of a state, as attacks can significantly limit the regime’s ability to function. Similarly, the targets of the Islamic State’s “Economic War” include oil and gas systems, water systems, agricultural sites, financial institutions, telecommunications towers, and electricity plants.

There is an extensive history of armed non-state actor use of strategies that fit within the “Economic War” designation, as the organizations utilized attacks on critical infrastructure to destabilize their enemies and harm the global economy. The United States faced a wave of attacks on its healthcare infrastructure and financial institutions in the 1970s before the attacks...
declined in the mid-1980s. For example, two Puerto Rican separatist organizations, Fuerzas Armadas de Liberacion Nacional (FALN) and the Armed Revolutionary Independence Movement, launched 32 attacks on energy infrastructure and the financial services sector between 1974 and 1982. Additionally, left-wing organizations have utilized “Economic War,” such as the New World Liberation Front, which carried out over 20 attacks between 1970 and 1978 on PG&E electrical infrastructure. In Latin America, the Shining Path, a Peruvian left-wing extremist group, attacked electricity towers, a water treatment facility, a bridge, and a bank in May 1983, marking it as the beginning of “the People’s War” in urban Peru. This “People’s War” contained a similar strategy to the Islamic State’s “Economic War,” in which the group launched sustained attacks on electrical infrastructure and Western-owned resource manufacturing companies based in Peru. For most groups, however, it is not clear if their attacks on critical infrastructure were launched as part of a distinct strategy or were used inconsistently.

In the early 2000s, Jihadi terror organizations, such as the Taliban in Afghanistan and Boko Haram in Nigeria, carried out attacks on critical infrastructure targets, primarily telecommunications towers. Most recently in 2022, the Yemeni Houthis, supported by the Iranian regime, have attacked Saudi oil infrastructure with the aim of “impacting the Kingdom’s production capacity and its ability to fulfill its obligations to global markets.” These attacks have

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come within a broader Houthi campaign against the Saudi regime’s war in Yemen. Globally, as essential resources such as energy and electricity have become more important to the state and to the economy, the number of attacks have increased.

Overall, however, Salafi-Jihadi organizations’ use of “Economic War” is understudied. To date, there have been no official academic studies that analyze the Islamic State’s implementation of “Economic War” nor that provide succinct data collection regarding the number, geographic distribution, and frequency of IS attacks on critical infrastructure. My research hopes to fill this critical gap and set a precedent for more scholars and policymakers to advance our understanding of this strategy and discuss future implications of the operations.

As the Islamic State expands its Wilayat around the world, more critical infrastructure sites may be targeted, harming the global economy as well as threatening human stability. Thus, it is essential to analyze these attacks as a new, sustained strategy, rather than isolated instances, to understand Islamic State’s plans and potentially understand the likelihood of “Economic War” continuing. It is also important to understand the extent to which this strategy threatens the global economy. Furthermore, these insights are vital for counterterrorism policymakers that present recommendations to enhance the security of critical infrastructure and to prevent similar attacks by other armed non-state actors.

This shift in attacks is puzzling as attacking economic targets may weaken the reputation of the groups and their public support, as these resources, specifically electricity and power, can

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be essential to local communities. Additionally, eliminating these resources removes IS’s ability to utilize them for its own gain, thereby reducing its capabilities if dependent on local resources for other tactical goals. Furthermore, it is unclear if attacking physical structures is more effective in achieving the organization’s political goals than targeting civilians or military forces. Finally, it is puzzling that IS continues to emphasize its use of this strategy even when it continues to carry out other attacks against high-profile human targets.

I explored the following potential explanations in the existing literature on armed non-state actor attacks on critical infrastructure. The first set of possible explanations from Kosal, Lordan-Perret et. al, and Ackerman et. al describe the significant financial consequences that “Economic War” strategy unleashes to satisfy armed non-state actors’s goals of weakening local and transnational economies. Kosal, Ashlid and Lia, Ackerman, and Koknar also discuss the damaging political impacts of “Economic War” strategy on local regimes, as these attacks weaken the state’s ability to deliver public goods as well as their credibility in the eyes of civilians. This strategy can have an attritional impact on the state, as attacks progressively weaken its effectiveness economically, politically, and militarily. I found these set of explanations to be the highly explanatory of the Islamic State’s “Economic War,” as reflected through my first hypothesis.

Other studies argue that groups utilize “Economic War” strategy with the goal of obtaining increased publicity, due to the highly public and symbolic value of these targets.\textsuperscript{11} I did not find significant support in my analysis for this theory. Finally, I explored the arguments that discuss attractiveness of critical infrastructure attacks due to the limited resources required to launch attacks.\textsuperscript{12} I also found significant support for this theory in my analysis.

To specify my analysis, I tested four hypotheses. First, I hypothesize that the Islamic State uses “Economic War” as part of an attritional strategy to weaken local regimes (H1). Next, I argue that the Islamic State uses “Economic War” as it is “cheap,” especially as the group’s capabilities have been more limited since the progressive loss of its territory from 2017-2019 (H3). Third, I hypothesize that the Islamic State uses “Economic War” to damage Western economic interests (H2). Fourth, I hypothesize that the Islamic State uses “Economic War” as a method to reduce the possibility of backlash from local communities, as attack on critical infrastructure cause limited causalities (H4). I was able to confirm the first hypothesis that the Islamic State uses “Economic War” as an attrition strategy, as well as that it utilizes the attacks because they are “cheap,” requiring limited resources to carry out. I did not confirm the second and fourth hypotheses regarding the global implications of “Economic War” and the use of the strategy to avoid a reduction in popular support.

This thesis is divided into seven chapters. I begin with providing a background on the Islamic State’s organizational structure, leadership, and its strategies. In Chapter 3, I discuss the


\textsuperscript{12} Ackerman et al., “Assessing Terrorist Motivations for Attacking Critical Infrastructure.”
literature on armed non-state actor strategies. In Chapter 4, I explain previous literature on topic of “Economic War,” and then move on to my theory for why the Islamic State utilizes the strategy as well as the methodology of this thesis. In Chapter 5, I provide background on the use of “Economic War” by other Jihadi organizations, namely Al-Qaeda. To validate my hypotheses, in Chapter 6, I present evidence of “Economic War” through my data collection, and I evaluate each hypothesis. Finally, I conclude with the implications of “Economic War” for the international community as well as the future of the Islamic State.
Chapter 2: Background on the Islamic State

Inspired by the extremist ideology of Abu Musab al-Zarqawi, the founder of Al-Qaeda’s Iraqi branch, the Islamic State quickly became one of the world’s most prominent insurgencies after its founding by Caliph Abu Bakr Al-Baghdadi in 2014. Stretching from Aleppo, Syria to Diyala, Iraq, the Islamic State once controlled territory of over 38,000 square miles. At its height in 2016, the Islamic State commanded forces of over 30,000 fighters. However, by 2017, the group had lost its capitals in Raqqa and Mosul, as well as a total of 45,000 fighters due to coalition air strikes. By the end of 2016, the organization had also surrendered its territory in Libya. Finally, in 2019, the group lost its final piece of territory in Syria, and its capabilities were deeply weakened. The Islamic State remains active today, albeit with limited resources and no territorial control. The focus of the Islamic State is fighting the “near enemy” in corrupt regimes that claim Muslim values, such as in Iraq and Syria, in addition to controlling territory it can utilize as a base for its Caliphate. The group also maintains a transnational focus, launching lone-wolve attacks to destabilize communities around the world as well as creating insurgencies to control territory in Africa, the Middle East, and Asia.

17 Jones et al., “Rolling Back the Islamic State.”
A Brief History of the Islamic State Core in Iraq and Syria: 1999-2016

The Islamic State’s origins began with Abu Musab al-Zarqawi, a Jordanian national born in 1968 to a poor family who lived a life of crime until he was jailed for sexual assault. During a trip to Afghanistan in 1989, Zarqawi was exposed to the extremely radical ideology of Abu Muhammad Al-Maqdisi, an Islamic religious scholar with connections to Al-Qaeda. Maqdisi argued for a radical understanding of Islam’s “al-wa’a w’al bara’a” or the notion that Muslims must remain loyal to Islam and disavow whoever or whatever is not. After returning to Jordan from Afghanistan, Zarqawi joined Maqdisi’s militant group “Bayt al-Imam,” ultimately landing in prison. In prison, his hardline personality attracted other jailed Jihadis, allowing him to form a network of fighters.18

Upon his release, in 1999, Zarqawi returned to Afghanistan where he connected with Al-Qaeda’s chief military strategist, Saif Al-Adel. Al-Adel, known for his brutality and masterful strategic planning, identified Zarqawi as a possible source to strengthen the organization’s connection with Levantine Jihadis, who were relocating to Afghanistan following a failed insurgency attempt in Lebanon. Though not a member of Al-Qaeda at the time, Zarqawi received startup funds from the group to establish a training camp in Herat, located near the Iranian border. The deal was mutually beneficial, as Al-Qaeda provided Zarqawi with resources to establish his own network of Levantine Jihadis, and Zarqawi provided Al-Qaeda fighters with logistical support and safe passage to Iran and the Arab world.19

19 Fishman, 16.
Amidst American attacks on Afghanistan following 9/11, Zarqawi fled to Iran and eventually settled in Iraq, where he was hosted by members of a Kurdish Jihadi outfit, Ansar Al-Islam. Zarqawi reportedly moved to Iraq because he believed that the United States would mostly likely attack the country next, creating a power vacuum that Jihadis would be able to exploit. There, he developed an understanding of Jihadi governance models and effective propaganda tactics. By Mid-2003, Zarqawi had established his own network of Iraqi fighters to attack a range of targets, including the Jordanian embassy in Baghdad, a UN office, and a hotel, to raise the group’s profile. In 2004, the group, known as Jama’at al-Tawhid wa’al Jihad, held territory in Fallujah. Later that year, Zarqawi pledged allegiance, or ba’ya, to Osama Bin Laden, and the group was rebranded as Al-Qaeda in the Land of Two Rivers or Al-Qaeda in Iraq (AQI).

In 2006, Zarqawi was killed by an American coalition airstrike, however his radical ideology, Zarqawiism, serves at the main ideology for the Islamic State Today. Zarqawiism claims that anyone who does not commit to carrying out sharia law should be declared “an infidel,” and thus should be rejected from the community. Zarqawiism emphasizes that the leaders of Jihad must be directly involved in battle, indicating the importance of the integration of leadership within local communities. Furthermore, the ideology focuses on the “near-term establishment of the caliphate” by using extreme levels of violence and rejecting the idea of peaceful settlements with the international community.

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20 Fishman, 41.
21 Fishman, 52.
23 Fishman, The Master Plan, 62.
24 Fishman, 65-71.
Zarqawi ideology is of the Salafi sect, meaning that its supporters strive to practice Islam as it was practiced by the Prophet Muhammad and his companions in the seventh century, regardless of any historical and religious evolution. Salafi Jihadis are comprised of the Sunni sect, and sectarian conflict with Shia Islam is a significant issue within the Salafi community. A key aspect of Zarqawi and most Jihadi ideologies is the view of Shiites as deviants or apostates, referring to the sect as the “Rafidah” or the “Rejectionists.” However, different Salafi sects disagree over the legitimacy of violent acts committed against Shiites. A key difference between Zarqawi’s highly sectarian ideology and Al-Qaeda’s philosophy is their beliefs regarding attacks against Shiite Muslims. Al-Qaeda rejects killing innocent Shiites (yet permitted killing Shiites serving apostate local regimes), while Zarqawi utilized takfir to deem attacks against Shiites as legitimate because he believed that they did not promote his vision of “true” Islam.25

Another key difference was Al-Qaeda’s focus on fighting the far enemy in the United States and across the Western world. This goal was highly debated amongst Jihadis, as many, including Zarqawi, wanted the struggle to focus on destabilizing regimes closer to home, who they viewed as exploiting and degrading Islam. Furthermore, Zarqawi promoted highly aggressive and violent tactics, such as beheadings, for which his group was first recognized in 2004. Zarqawi’s intensely violent methods, which included his attacks on Shiites to galvanize his Sunni base, prompted Al-Qaeda concerns about Zarqawi’s volatility and the branch’s potential degradation of the group’s total reputation.26 Ayman Al-Zawahiri, Osama Bin-Laden’s second-in-command at the time, warned Zarqawi via a letter that his actions were threatening the popular

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25 Fishman, 74.
26 Fishman, 77.
support from local communities that Al-Qaeda valued. Zawahiri warned that the population would not approve “the scenes of slaughtering the hostages.”

Although Al-Qaeda Central attempted to control Zarqawi’s brutal behavior, they were unable to do so due to his feverous commitment to sectarian warfare and terrorist tactics.

After Zarqawi’s death in 2006 and amidst the continued U.S. presence in Iraq, AQI focused on driving U.S. forces out of Iraq. However, due to American offensive actions and the counterinsurgency operations of the Sunni Awakening movement, the organization’s capabilities were decimated and was forced to retreat. AQI’s limited resources and crippled leadership also inhibited its ability to function during this period. As such, the group focused on adjusting its military tactics, including increasing its production of improvised explosive devices (IEDs), which allow it to rebuild its capabilities and also avoid American detection due to the secretive nature of the weapons creation process. The group also shifted its strategy towards utilizing guerrilla warfare, in which small-launched short attacks to progressively weaken enemy forces. During this time, the group was renamed the Islamic State in Iraq (ISI) and was led by Abu Ayub Al-Masri and Abu Umar Al-Baghdadi, who were both killed in airstrikes in 2010.

When the American forces withdrew from Iraq in 2011, the group capitalized on the residual power vacuum. The beginning of the civil war in Syria in the same year also created a chaotic scene across the border, allowing the organization to exploit this instability. After Abu

28 Ashour, How ISIS Fights.
29 Ashour.
31 Ashour, How ISIS Fights.
32 “The Islamic State.”
Bakr Al-Baghdadi became the leader of the Islamic State in Iraq, he drove the group’s expansion into Syria and its eventual establishment as a caliphate. \(^{33}\) Baghdadi worked to rebrand the organization as an insurgency dedicated to driving out American and coalition forces. He also expanded the group’s governance capabilities and level of popular support. \(^{34}\) To increase its tactical edge, ISI captured Iraqi and Syrian weapons and increased its use of IEDs, booby-traps, suicide attacks, guerilla formations, and sniping. By 2014, the group had completed a substantial reorganization rearmament, greatly enhanced after in June the group captured military hardware during a blitzkrieg in Mosul, Iraq, obtaining over 1,000 weapons and 29,000 units of ammunition. These increased capabilities also allowed the group to again shift its strategy from guerilla warfare to conventional warfare, confronting the Iraqi and Syrian states directly. \(^{35}\)

In 2012, Jabhat al-Nusra li Ahl al-Sham (JN) was established as the Syrian branch of Al-Qaeda under the leadership of Abu Muhammad al-Julani, a former militant within ISI. However, the branch was not publicly declared to be part of Al-Qaeda to avoid international detection and to expand its relationships with other Jihadi groups that otherwise would have been deterred by the connection to Al-Qaeda. However, many militants involved in the leadership of JN were former fighters in Iraq and were easily influenced by ISI. When Baghdadi sought to expand his influence in Syria by attempting to merge the two branches in August 2013, he challenged Ayman Al-Zawahiri’s (Bin Laden’s successor) leadership and destroyed the anonymity of the organization. \(^{36}\) However, JN’s leader rejected Baghdadi’s attempts to merge his organization with

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\(^{33}\) “The Islamic State.”

\(^{34}\) “The Islamic State.”

\(^{35}\) Ashour, *How ISIS Fights*.

ISI and instead reestablished his allegiance with Zawahiri to retain the autonomy of the Syrian branch of Al-Qaeda. In response, Zawahiri declared JN as the official Al-Qaeda affiliate in Syria, and demanded that Baghdadi accept the decision, yet he refused. As part of this refusal, Baghdadi renamed his organization the Islamic State in Iraq and al-Sham (ISIS) to emphasize its territorial expansion into Syria. Although Al-Qaeda retained ties with its Iraqi and Syrian branches through February 2014, Zawahiri ultimately disavowed the ISI affiliate and the two groups formally split.

By June 2014, ISIS had officially captured several towns and cities in Iraq, including Fallujah and Mosul, initiating its “Breaking the Walls” campaign to target local regimes more aggressively. Shortly after, Baghdadi declared himself as “Caliph” of the organization, formally designating ISIS as a caliphate across Iraq and Syria. However, Baghdadi’s leadership expanded beyond the physical territory, as he believed that his authority extended over all Muslims.

In Syria, ISIS focused on gaining as much territory as possible by gathering intelligence to use against the Assad regime, recruiting from like-minded organizations, looting parts of the regime’s arsenal, and spreading tactical and strategic innovations across the territory. Here, the group established a sophisticated funding base, generating over $6 billion from bottom-up funding mechanisms, where its fighters were involved in criminal activities, taxed local populations, and were themselves required to give funds to the organization. The group also utilized several extortion methods and sold essential natural resources such as oil.

37 Mendelsohn, 3.
39 Ashour, How ISIS Fights.
40 Colin P. Clarke, After the Caliphate: The Islamic State and the Future of the Terrorist Diaspora (Cambridge, UK; Polity Press, 2019).
Ingram et al. argue that the Islamic State is best understood as an “adhocracy,” or an organization, emerging changing and dynamic environment, that contains interacting project teams that come together to achieve a goal or over a shared identity. As such, the group retains a somewhat decentralized decision-making structure for tactical and operational decisions yet is strategically led by the Islamic State-Command, located in Iraq and Syria. Led by a Caliph, the group’s main leadership is structured by a Shura Council, or a group of advisors who oversees the appointment of officials and other strategic decisions. When the group operated as an insurgency, the Shura council was split into two different divisions. Sharia shura, which comprised of fourteen governmental departments, diwans, was established to oversee areas such as defense and public works. Military shura was comprised of committees and offices for public relations, research, prisoner affairs, and the directorate of remote Wilayat. Finally, ground level control mechanisms were implemented, such as the enforcement of Islamic law by religious police, educators, and local emirs.

By 2015, the Islamic State began to establish Wilayat outside of the caliphate. According to Brian Fishman, the Islamic State aimed to “foster a global confrontation to force Muslims the world over to reveal whether they are ‘true Muslims’ or apostates deserving death.” Furthermore, the expansion increased the organization’s global publicity and its recruitment ability. The expansion of the Islamic State correlates with the group’s political objectives as a Caliphate seeking to establish its power through physical territory around the world.

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42 Jones et al., “Rolling Back the Islamic State.”
43 “The Islamic State.”
44 Fishman, The Master Plan.
Early Wilayat established outside of Iraq and Syria included Libya, Nigeria, the Philippines, and the Sinai region of Egypt.\(^45\) In November 2014, an Egyptian Jihadi organization, Tawhid wa al-Jihad – Bayt al-Maqdis (ABM), pledged allegiance to the Islamic State, ultimately becoming its Sinai Province. There, fighters implemented an urban terror strategy with tactics of unleashing car bombs, suicide attacks, and assassinations, along with a guerilla warfare strategy carried out by small units.\(^46\) As of 2022, the branch in Egypt has been quiet, yet threatens a resurgence.\(^47\)

Since Mid-2014, small groups of armed non-state actors in the Philippines and Indonesia have pledged allegiance to the organization, establishing IS- East Asia Province (ISEAP).\(^48\) Also in mid-2014, the Islamic State launched its official branch in Libya, and by 2015, the group had established territorial control in several areas across the country, including Sirte. By 2016, the branch’s capabilities and territorial control had been significantly reduced, and the organization has been limited to small-scale attacks through 2022.\(^49\)

In 2015, IS-West Africa Province (ISWAP) was established in Nigeria by defectors from Boko Haram. In 2019, the West African Province took control over the Islamic State in Greater Sahara, which operated in Burkina Faso, Niger, and Mali. Attacks there are mostly comprised of conventional, complex attacks on local forces as well as multinational coalitions.\(^50\) This branch

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\(^{45}\) “The Islamic State.”

\(^{46}\) Ashour, How ISIS Fights.


\(^{49}\) “The Islamic State’s Revitalization in Libya and Its Post-2016 War of Attrition – Combating Terrorism Center at West Point.”

\(^{50}\) Ingram, Whiteside, and Winter, “The Islamic State’s Global Insurgency and Its Counterstrategy Implications.”
has emerged as one of the most successful Islamic State Wilayat in 2021. Islamic State-Khorasan Province was also established in Afghanistan and Pakistan with the defection of Tehrik-e-Taliban, Al-Qaeda, and Taliban fighters. While the group faced significant operational setbacks from 2018 to 2020, it resurfaced in 2021 amidst the U.S. withdrawal from the country. Finally, in 2019, the Islamic State established its Central Africa Province (ISCAP) in the Democratic Republic of the Congo and Mozambique and expanded into Tanzania in 2020 and Uganda in late 2021. The branch has grown considerably in 2020 and 2021.

At its peak, the Islamic State maintained 15 Wilayat around the world. Other notable branches are in Yemen, Algeria, Tunisia, India, Bangladesh, and Somalia, yet the Islamic State has not significantly utilized “Economic War” in these areas. The organization continues to grow insurgencies in vulnerable locations across the globe.

Islamic State is Down, but Still Kicking: 2017-2022

By 2017, the U.S.-led Global Coalition to Defeat ISIS inflicted defeat on the group, which lost all its important territorial possessions. From 2017-2018, IS attacks significantly decreased and by 2019, the group had lost its territory in Iraq, Syria, and Libya. In October 2019, Baghdadi was killed by an American raid on his compound in northern Syria, leaving his designated successor, Abu Ibrahim al Hashimi al Qurashi to take control of the group. Al-Qurashi had previously held positions at the top of the Islamic State’s security and political apparatuses,

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supervising the department of soldiers and justice, providing him with significant religious, security, and organizational expertise. Al-Qurashi was also the architect of the Yazidi genocide, indicating his extreme radicalism and danger. From 2019 until his death in February 2022, Al-Qurashi has remained a low-profile figure, never appearing publicly in media statements, while allowing other Wilayat to establish themselves. While it appears that the Islamic State central retains a significant level of control over its Wilayat, it is unclear as to what form this relationship takes. In March 2022, Abu al-Hassan al-Hashemi al-Quraishi was named al-Qurashi’s successor. While little is known about about the new leader, it is reported he is a brother of Abu Bakr al-Baghdadi and served as the leader of the Shura Council since 2020.

While today the group’s capabilities are still weakened and it does not control territory, the group currently operates in 13 Wilayat in Iraq and Syria, Central Asia, Southeast Asia, North Africa, West Africa, and Central Africa. One of the Islamic State’s most recent, high-profile attacks occurred in Kabul, Afghanistan during the U.S. withdrawal, which killed 13 U.S. servicemembers and at least 170 Afghan civilians. The group has intensified its competition with the Taliban through increasing its sectarian attacks on Shiites, spreading propaganda, and recruiting new members. In Iraq, the group maintains approximately 10,000 fighters and utilizes suicide attacks, bombings, and ambushes to attack local police, soldiers, and the Iraqi state. These

attacks appear to be part of a low-level guerilla insurgency strategy as well as manifestations of traditional terrorism. 58

The Wilayat reporting the most attacks recently also include ISCAP in Mozambique and the Democratic Republic of the Congo as well as ISWAP in the Sahel. Affiliates in Southeast Asia and Sub-Saharan Africa are also poised for future growth. 59 In February 2022, the group launched an attack on the Syrian Al-Hasakah prison to liberate many of its former fighters. 60 Despite a significant six month decline in operations from October 2021 to April 2022 in Iraq, Syria, and Afghanistan, the organization began a campaign on Sunday, April 17, 2022 to “avenge” the death of its former Caliph in February, in which the organization has launched attacks in Iraq, Syria, Afghanistan, Uzbekistan, Nigeria, India, Somalia, Egypt and Libya. This flurry of attacks could mark a significant uptick in operations and an increase in IS capabilities. 61 Overall, while the Islamic State has been severely weakened, its ability to innovate and constantly shift its strategies allow it to remain a threat to states around the globe.

Islamic State Strategies:

To fully understand the Islamic State, it is essential to comprehend what their most used strategies are, and how their strategies have shifted as the organization has responded to various challenges. The Islamic State utilizes a five-step model to organize its strategies, ultimately acting as a guide for future actions. This model which was outlined in a 2014 issue of the English-

61 ExTrac [@Ex_Trac], “2. So Far, #IS Has Claimed 19 Attacks in #Iraq, #Syria, #Afghanistan, #Uzbekistan, #Nigeria, #India, #Somalia, #Egypt, and #Libya as Part of This Campaign. Https://T.Co/AMkRvzCKIP,” Tweet, Twitter, April 19, 2022, https://twitter.com/Ex_Trac/status/1516491648297050112.
language *Dabiq* magazine. The first stage, *hijra*, includes the immigration of militants to the land of Jihad. The second stage, *Jammah*, details the formation of smaller fighting groups. The third step, *Nikayah*, includes the development of a guerilla-style insurgency to create instability and weaken “apostate’ tyrants ruling in Muslim lands. This stage represents an attritional strategy to weaken local regimes. The fourth stage, *tamkin*, includes the political consolidation of power and territory through launching complex, conventional attacks. The final step, *khilafa*, is the establishment of the caliphate, governed under Sharia law by the Islamic State leadership.\(^6^2\)

Following the consolidation of fighters in Iraq and Syria, the organization utilized an attritional campaign, *Nikayah*, from 2012 to 2014 against local security forces to progressively weaken its enemies. These operations were used most in AQI’s former strongholds where greater popular support could be secured. In conjunction, the organization increased its use of “surgical strikes” to remove individuals associated with anti-ISIS leaders and businesses. Additionally, the group established a series of operational alliances with local insurgents and tribal leaders, who viewed the organization as a lesser evil than the Iraqi and Syrian regimes.\(^6^3\)

Following this establishment of popular support and weakening of enemy fighters, the group launched a conventional strategy against local forces to control territory and execute enemy leaders, *Tamkin*. The organization also facilitated the development of a “lone-wolf” attacking strategy around the world to spoil relations between Muslims and non-Muslims and encourage Muslims to join the emerging caliphate. To increase its personnel in Iraq and Syria, the group also recruited foreign fighters from around the world. Through a mix of guerilla style

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\(^6^2\) The Islamic State, “From Hijrah to Khalifa,” *Dabiq*, June 2014.

\(^6^3\) Ashour, *How ISIS Fights*.
attacks as well as conventional attacks on enemy forces, the Islamic State successfully controlled territory across Iraq and Syria through 2016.\textsuperscript{64}

In 2017, as the U.S.-led Global Coalition to Defeat ISIS began to weaken the organization, and the group was forced to move away from its conventional warfare strategy, \textit{Tamkin}, due to a depletion in its fighters and weaponry. The Islamic State launched a “scorched earth campaign” in which conventional units shifted into guerilla cells to escape enemy advances. This return to small, guerilla cells was uniformly orchestrated across the organization while it lost territory. In the 101\textsuperscript{st} issue of \textit{Al-Naba}, the Islamic State detailed its new combat strategy of retreating and avoiding detection by airstrikes, as well as launching small-scale attacks on isolated targets, such as infrastructure. This declaration signaled a shift in strategy back to guerilla warfare and terrorism, \textit{Nikayah}, which has remained the group’s primary strategy since 2017.\textsuperscript{65} In 2019, the group explicitly launched a “war of attrition” strategy against the states in which its branches inhabited, most notably in Iraq, Syria, and Libya. The Islamic State began to prioritize small-scale guerilla-style attacks to progressively wear down Iraqi forces’ will to fight. This new strategy reflected its political goals and fit with the group’s shift in relative capabilities.

Furthermore, in 2019, Baghdadi began emphasizing the group’s global expansion as a central IS strategy.\textsuperscript{66} This strategy has mostly been maintained, along with the use of terror attacks in urban centers across its \textit{Wilayat}. With its slogan of “\textit{Baqiya wa Tatamaddad}” (lasting

\textsuperscript{65} McAvoy, “The Islamic State’s Military Strategy.”
\textsuperscript{66} “The Islamic State.”
but expanding), the Islamic State continues to focus on reestablishing a caliphate by defeating near enemies and far enemies around the world.67

Next, I will discuss common strategies used by armed non-state actors to provide a stronger framework to analyze the Islamic State’s “Economic War.”

67 Clarke, *After the Caliphate.*
Chapter 3: A Review of Armed Non-State Actor Strategies

While the use of attacks on critical infrastructure targets have been analyzed for left-wing, right-wing, and ethno-nationalist terror organizations, Jihadi groups’ “Economic War” strategies are understudied.\(^68\) Moreover, most studies have focused on how armed non-state actors exploit infrastructure and natural resources,\(^69\) rather than the ideology and political goals leading to these attacks. Despite these limitations, existing literature on “Economic War” could still offer important insights, and even theories, that could be applied and tested on Jihadi cases. To analyze existing literature on “Economic War,” I review in this chapter existing theories regarding armed non-state actor strategy and target selection.

What is a strategy?

First, it is important to discuss how the literature defines the strategies available to armed non-state actors. Drake defines a strategy as an armed non-state actor’s plan to deploy its resources to achieve political objectives.\(^70\) Jones, however, focuses on strategy as an insurgent’s method to degrade or defeat its adversaries, which narrows the range of objectives for a strategy.\(^71\) Alakoc, Werner, and Widmeier define a strategy as a plan to advance specific organizational goals or outcomes.\(^72\) In this thesis, I define strategy as an armed non-state actor’s


plan of action to achieve its political, organizational, and military goals. Strategy differs from an armed non-state actor’s tactics in this study as a tactic is defined as a method to employ a weapon to achieve carry out a strategy, such as armed assaults, assassinations, bombings, and kidnappings. This study will specifically focus on armed non-state actors’ strategies while examining tactics of a subcomponent of these plans.

**Armed Non-State Actor Goals:**

What are the goals of armed non-state actors? Abrahms defines terrorists’ goals in two categories: process and outcome goals. Process goals include objectives to sustain the group, such as securing financial support, gaining media attention, destroying peace processes, and increasing recruitment. Military and organizational goals can fall under process objectives. While military goals, such as weakening enemy forces or thwarting counter-terrorism operations, can help a group to achieve its political goals in the long-term, these goals also help sustain the group and remind the public of its continued lethality. Organizational goals are pursued to ensure the continued existence of the organization and its ability to follow through on its political goals.

In contrast, outcome goals tend to be an organization’s political goals, such as a change in a regime’s policy or foreign presence, the establishment of a new state, or ethnic and religious social control. Walter and Kydd define the five most common political goals of terrorist organizations as regime change, territorial control, policy change, social control, and status quo maintenance. Regime change has been commonly pursued by Marxist-leftist organizations, such

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as the Shining Path, and religious organizations, such as Jihadi groups, which fight to bring down the “near enemy,” i.e., local regimes. Territorial control is commonly sought by groups seeking to establish a new state, such as Lashkar-e-Tayyiba’s goal of incorporating Kashmir into Pakistan. Policy change can be pursued for narrower objectives, such as advocating for the removal of American troops abroad, such as in Afghanistan or Latin America. Social control is pursued by an organization seeking to manipulate the ethnic, racial, and religious groups of the population it rules. For example, this goal is often pursued by right-wing, white supremacist groups seeking to worsen the lives of people of color.75

Walter and Kydd maintain that groups can hold multiple political goals overtime, such as establishing a dominant religion within the population and also forming a new state.76 While groups may change their military and organizational strategies overtime, Drake argues that their political goals oftentimes remain static, setting up goalposts for what a strategy hopes to achieve.77 Finally, although Abrahms argues that outcome goals can only be achieved with the compliance of the target regime, it is possible that the outcomes can be achieved through coercion of a population or by destruction of the regime over time.

**Typology of Strategies:**

Ultimately, what are the strategies that terrorist groups pursue to achieve their process and outcome goals? Walter and Kydd explain that due to the uncertainties between an armed non-state actor and its enemy, which include the balance of power, the resolve of each party,

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76 Kydd and Walter.
77 Drake, *Terrorists’ Target Selection*.
and the credibility of their statements, terror organizations utilize “costly signals” to demonstrate their resolve. These costly signals are carried out through their strategies, which in turn provide the group’s key audiences, namely the enemy or population it seeks to control, with information about their goals. Thus, Walter and Kydd argue that there are five “signaling” strategies that terrorist groups use to achieve their goals, which can therefore be applied to other armed non-state actors and insurgent organizations as their objectives tend to be similar.78

While many studies argue the effectiveness of terrorist strategies in the eyes of counterterrorism analysts and policymakers, this debate is beyond the scope of this thesis. This thesis does not seek to understand the effectiveness of armed non-state actor strategies, but to investigate why individual groups implement certain strategies. What is important is the group’s perception of the success of its own strategy, as this will determine its continued use and its threat to international security.79 Below, I discuss the details of Kydd and Walters’ strategies of terror organizations, including attrition, intimidation, spoiling, provocation, and outbidding.

Attrition:

Attrition is a strategy that is used to achieve an outcome goal of slowly weakening a local regime to either coerce it to follow a demand or to destroy it completely. Attrition erodes the will of the enemy by launching small-scale attacks against physical targets of value, such as citizens or physical structures. These attacks are carried out to signal to the enemy that the group will continue to inflict pain and that the costs of continued operations against the group is too

78 Kydd and Walter, “The Strategies of Terrorism.”
high. For example, Hamas routinely targets Israeli cities using rockets to inflict damage on its enemy constantly, with the goal of signaling to the Israeli state that continued occupation will be unbearable.\(^{80}\) Therefore, Hamas uses attrition to coerce Israel into following it demands.

Additionally, attrition strategy can be carried out with the objective of regime destabilization, in which the actor seeks to expose the government’s helplessness, reduce public confidence in the regime, and ultimately cause its downfall. Thomas Thornton explains that the responsibility of a regime is to guarantee the population its security and order, and these actors ultimately seek to disrupt the regime enough that the public believes it is incapable.\(^{81}\)

When organizations utilize attrition to destroy a regime progressively, targets typically have a functional or symbolic value, such as infrastructure or military bases, whose damage would over time limit the government’s ability to deliver public goods or protect national security.\(^{82}\) Shire argues that attrition strategy attempts to influence civilian populations to either distrust, reduce their support, or demand concessions from the local regime, such as a withdrawal of foreign troops or removal of troops from certain provinces.\(^{83}\)

Kydd and Walter argue that three conditions are most suitable to carry out attrition strategies: the state’s level of interest in the issue the terror organization is working to address, the constraints on the state’s ability to retaliate (such as international law or limited capabilities), and the enemy’s ability to endure violence. The most prominent example of attrition is Al-Qaeda’s war against the United States, in which organization sought to force the Americans to

\(^{80}\) Kydd and Walter, “The Strategies of Terrorism.”

\(^{81}\) Alakoc, Werner, and Widmeier, “Violent and Nonviolent Strategies of Terrorist Organizations.”

\(^{82}\) Drake, Terrorists’ Target Selection.

withdraw from the Muslim world by causing the enemy “bleed to the point of bankruptcy.” Bin Laden believed this strategy would work as the United States, in his opinion, lacked an ability to endure causalities and was not as invested in remaining in the Middle East.\(^4\) Thus, attrition is best used on states that either have limited capabilities, that may be unable to utilize large amounts of force against its enemy, or that lack resolve.

*Intimidation:*

Walter and Kydd argue that intimidation strategy is used to achieve a group’s political and process goals by increasing societal fear to demonstrate the group’s power and resolve. Intimidation strategy is used to send costly signals, showing an enemy the validity of the group’s threats and its ability to punish those who do not succumb to their demands. One target of this strategy is an enemy regime’s supporters, demonstrating that those who endorse the enemy will be punished. In the 1990s, the Algerian Armed Islamic group massacred thousands of suspected supporters of the Algerian government to deter populations under rebel control from allowing the former government to regain support.\(^5\) Additionally, intimidation strategy can be used to target citizens who do not directly support an enemy (state or group), but who resist the non-state actor. By targeting these individuals, the organization can scare citizens into submission due to their fear of other costly measures that could be taken against them.

While civilians or structures are targeted in terrorism, the subjects of harm are not always the intended audience, as oftentimes the insurgent seeks to intimidate or scare a local regime to

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\(^4\) Kydd and Walter, “The Strategies of Terrorism.”

\(^5\) Kydd and Walter.
follow its demands. Jones also argues that intimidation strategy is rarely used alone, and typically works in conjunction with other strategies such as attrition and provocation.

*Provocation:*

Provocation is a strategy used to provoke its state enemy into further conflict. According to Kydd and Walter, this strategy is utilized to achieve a group’s process goals of increasing popular support for the organization and recruiting new members. First, the strategy is used to force an enemy overreact to a group’s offensive action by causing it to unleash violence on civilians. This increased violence can reduce local support for the government and increases community support for the organization. Provocation was a distinct objective of Al-Qaeda strategy around the period of the 9/11 attacks, as the group sought to provoke the United States into launching “counter atrocities” on innocent Muslims, causing both Muslims and the international community to reduce their support for the United States.

A byproduct of provocation strategy, which can be pursued as a primary objective by some groups, is to coerce the state to deploy more troops to an area to engage with the armed non-state actor. This increased deployment can be beneficial for the armed non-state actor as more troops can serve as targets for attacks that will demonstrate the group’s continued ability to coerce the state and unleash violence. Furthermore, increased deployment of troops forces a state to use more financial and military resources combatting the actor, potentially exhausting

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86 Ibrahim Shire, “Provocation and Attrition Strategies in Transnational Terrorism.”
87 Jones, Doxsee, and Harrington, “The Tactics and Targets of Domestic Terrorists.”
89 Drake, *Terrorists’ Target Selection*.
90 Alakoc, Werner, and Widmeier, “Violent and Nonviolent Strategies of Terrorist Organizations.”
91 Libicki, Chalk, and Sisson, *Exploring Terrorist Targeting Preferences*. 
the state. Ultimately, the targeting of soldiers clearly reduces the capacity of the opposing state to fight the organization but also reduces its financial and material strength.

**Spoiling:**

Spoiling can help a group to achieve its process goal by weakening relations between two former enemies to increase mistrust on both sides. This mistrust can cause former enemies and ultimately restart conflict, allowing the armed non-state actor to exploit a continued power vacuum. For example, ethno-nationalist terror organizations seeking to liberate Palestine will increase attacks during times of Arab Israeli peace negotiations, creating chaos that allows the group to take more power. Thus, spoiling is primary used to create divisions between two opposing regimes that are attempting to close a power vacuum and stabilize societies through peaceful efforts.

**Outbidding:**

Outbidding can achieve an organization’s process goal by increasing its leverage and power over a competing terror organization. Particularly for groups with similar ideologies and objectives, such as Islamic organizations or ethno-nationalist groups, this strategy may be useful for an organization seeking complete territorial or social control. For example, in the 1980s, the Shining Path launched an assassination campaign to target rival leftist leaders. Competing groups want to demonstrate to populations that they are strong and resolved and will utilize costly signals against an opposing group to demonstrate this.

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92 Kydd and Walter, “The Strategies of Terrorism,” 77.
<table>
<thead>
<tr>
<th>Strategy</th>
<th>Goal</th>
<th>Target</th>
<th>Target Audience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attrition</td>
<td>Weaken the will of the enemy, demonstrate its incapability to operate</td>
<td>Civilians or physical targets with logistic or economic value</td>
<td>Civilian populations and local regimes</td>
</tr>
<tr>
<td>Provocation</td>
<td>Provoke a regime into overreacting militarily, harming civilians and providing more troops to serve as military targets</td>
<td>Civilians or local regime forces</td>
<td>Governments</td>
</tr>
<tr>
<td>Outbidding</td>
<td>Weaken opposing insurgent groups that are competing with the organization for local power</td>
<td>Members of opposing groups or physical targets that are of symbolic or economic value to the opposition</td>
<td>Civilian population</td>
</tr>
<tr>
<td>Spoiling</td>
<td>Weaken relations between states engaged in peace talks</td>
<td>Citizens or physical targets of opposing regimes</td>
<td>Opposing regimes</td>
</tr>
<tr>
<td>Intimidation</td>
<td>Create enough fear within society to force compliance with a group’s demands</td>
<td>Government supporters and those who resist the organization, government officials</td>
<td>Society and governments</td>
</tr>
</tbody>
</table>

**Figure 1: Armed Non-State Actor Strategies**

**Armed Non-State Actors Adoption of Strategy**

It is also important to discuss how armed non-state actors identify and adopt different strategies. Armed non-state actors can learn about different strategies in a variety of ways, including from historical acts of other groups, from the intelligence gathered by individual cells, from similar organizations, and even from states. It is not only a group’s leader that contributes to the learning and adaptation of strategies, but also individual groups members from across the organization’s hierarchy can contribute to operational, tactical, and strategic learning. Learning about the effectiveness of a strategy from lower-level members can also improve its effectiveness across the organization and also lead to the development of new approaches that

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respond to an environmental challenge, large losses, or limited capabilities. It is possible that decentralized organizations can learn more strategies due to individual cells’ freedom to interact with different groups and in different environments. However, because centralized organizations coordinate activities more effectively it is possible that while decentralized organizations may learn strategies more quickly and in greater amounts, their implementation is irregular across different branches or cells.

Furthermore, historical events, such as war and external political movements, can shape the ability of insurgents to evolve. In the case of “Economic War,” it is possible that terrorist groups have implemented and enhanced the strategy overtime as organizations study the actions of past groups and test the strategy.

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Chapter 4: A Theory of “Economic War”

1. **Defining “Economic War”**

   As previously defined, “Economic War” is a strategy in which armed-non-state actors attack critical infrastructure with the goals of weakening a local regime’s power, attacking the global economy, and targeting foreign governments. Critical infrastructure is a highly valuable target for terrorist groups as the sites are essential for the maintenance of a functional society. As such, destruction of infrastructure can have disastrous impacts on human life and governmental success.\(^97\) Critical infrastructure is highly integrated with a variety of material resources, such as the cyber domain, communications systems, and public service networks. This interconnectedness allows a single attack to have a far-reaching effect on multiple aspects of a society, unleashing crippling social and economic impacts.\(^98\) Additionally, in many states, critical infrastructure is publicly owned, and thus attacks on these physical targets can result in both the suffering of citizens and also the state, increasing the group’s relative power.\(^99\) Below I discuss the typical targets of “Economic War,” the tactics that are utilized within this strategy, and the regions where it is most commonly used.

**Targets and Tactics:**

Several studies demonstrate different statistics of the targets of terror campaigns against infrastructure. Ackerman et al. state that at least 50 percent of critical infrastructure sites that armed non-state actors attacked between 1933 and 2004 were oil and gas infrastructure. The other notable critical infrastructure targeted by armed non-state actors included electrical

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\(^97\) Lordan-Perret et al., “Attacks on Energy Infrastructure Targeting Democratic Institutions.”
\(^98\) Lordan-Perret et al, 915.
\(^99\) Kosal, “Terrorism Targeting Industrial Chemical Facilities.”
infrastructure (15 percent), government offices (8 percent), railways (5.3 percent), and waterways (3.7 percent). Comparatively, Giroux, Burgherr, and Melkunaite, estimate that from 1988 to 2011, 50 percent of attacks targeted electrical transmission lines, followed by oil pipelines, oil transport systems, and natural gas pipelines. It is possible that the discrepancy in statistics between these two studies arose due to the increase in security measures surrounding oil and gas installations later in the 20th century, as these resources became increasingly important due to increased globalization and international trade.

In addition, Ackerman et. al argues that increased levels of security at a critical infrastructure facility might force terrorists to devote more resources to these attacks, and therefore they may choose to attack less secure targets or altogether abandon an “Economic War” strategy. Therefore, it is easier to attack electrical systems, such as towers and lines, due to the limited barriers surrounding them, while oil refineries and production plants may be better defended. It is possible that groups with stronger technical capabilities may seek to destroy more protected targets, such as nuclear power plants or oil refineries, to demonstrate their strength and resolve. Because “Economic War” is more frequently used by groups with more limited capabilities as it is cheaper to implement, these attacks are uncommon due to the limited technical expertise of groups utilizing “Economic War.”

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103 Ackerman et al., 164.
The most used tactic of “Economic War” is the bombing of critical infrastructure by IEDs or improvised explosive devices. Other methods include the arson of facilities and agricultural sites, sabotage of electrical lines, and armed attacks with traditional guns. Kidnapping and holding employees hostage by some groups to target the critical infrastructure sector, however these activities are less common. Finally, cyber-attacks and vandalism have been documented to damage or destroy critical infrastructure.

Locations Where “Economic War” is Used

It is possible that “Economic War” strategy could be utilized more frequently in some geographic areas than others, particularly in states with more natural resource production or that rely more heavily on these sources of income for their budgets, such as Alergia, Iran, Oman, Iraq, and Nigeria. The world’s top 10 oil producers include: the United States, Saudi Arabia, Russia, Canada, Iraq, the United Arab Emirates, Brazil, Iran, and Kuwait. Critical infrastructure may be more likely targeted in these locations because armed non-state actors may believe that by damaging the state’s ability to produce natural resources, the state’s economy and the regime as a whole will be weakened.

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105 Giroux, Burgherr, and Melkunaite, “Research Note on the Energy Infrastructure Attack Database (EIAD).”
However, according to the Global Terrorism Database, between 2010 and 2019, the top five countries that faced attacks on its utilities infrastructure were Pakistan, Iraq, Yemen, Nigeria, and Turkey.\textsuperscript{108} What connects these areas and differs them from other main energy resource producers, such as Saudi Arabia, is the level of internal conflict that occurs within each state. Ultimately, Lia argues that there is a clear connection between the intensity of internal armed conflict and the number of terror attacks on energy infrastructure.\textsuperscript{109} As we can see from the chart below, almost all countries that face attacks on their critical infrastructure experience significant armed conflict within its borders. While some Muslim-majority countries, particularly Saudi Arabia, the UAE, and Kuwait, are the top oil producers in the world, their advanced economies and security apparatuses most likely deter armed non-state actors from attacking their systems. Therefore, it appears that preexisting armed conflict, as well as armed non-state actor presence in the country, sets conditions necessary for organizations to successfully attack critical infrastructure due to limited regime strength and community tolerance for violence.

\textbf{Figure 1: Graph of the Countries Facing the Most Energy Utility Attacks 2010-2019 (GTD)}


2. “Economic War” as an Armed Non-State Actor Strategy

Ultimately, what are the underlying strategies involved in “Economic War”? I argue that the main strategies integrated within “Economic War” are attrition and provocation. Furthermore, I argue that the remaining armed non-state actor strategies, intimidation, spoiling, and outbidding are not intentionally employed by armed non-state actors within “Economic War.” First, intimidation may not be applicable to “Economic War” as the destruction of infrastructure carries more limited casualties and is less likely to cause enough widespread fear amongst a population as compared to attacks on human targets. Second, there is limited evidence to demonstrate that armed non-state actors will attack critical infrastructure to spoil a peace agreement between two states. An attack on a soft target of critical infrastructure is unlikely to cause a major political crisis or attract major media attention that would lead to public pressure on a regime to end peace negotiations. Finally, “Economic War” is rarely used to weaken a rival group that is isolated from a local regime, as it is infrequent that the infrastructure targeted is owned by a rival group as compared to a state or local regime. Thus, “outbidding” is not a primary objective within “Economic War” as compared to other strategies. This thesis will focus primarily on the armed non-state actor strategies of provocation and attrition within “Economic War.” The use of these strategies within “Economic War” is detailed as follows.

Provocation

Provocation strategy is another aspect of “Economic War,” as groups will seek to target infrastructure to produce an escalatory action by the state against the organization. This strategy has two effects. First, like attrition strategy, it will provoke the state into exhausting more resources to fight the insurgency and draw resources away from other services, causing broad
dissatisfaction. Second, provocation strategy within “Economic War” can force an enemy state to deploy more troops and engineers to protect a valuable site, therefore increasing targeting options for a group. When these individuals surround the site, the government unintentionally provides the non-state actor with more targets to attack, allowing the group to carry out more operations. While “Economic War” may not be the most direct way for a group to achieve its military goals, the strategy may also provide some military benefits by limiting enemy capabilities and increasing the number of operations launched by the group. Particularly if the group’s political goal is to destabilize a local regime, targeting extra government personnel and forces can help to achieve this goal.

Attrition

The main objective of “Economic War” is attrition, where a terror organization seeks to destabilize two types of actors: 1) a local regime’s economy and ability to deliver public goods and 2) the global economy, particularly Western states, to inhibit their ability to exploit Muslim countries. A local regime is defined as the state or political entity that governs a territory in which an armed non-state actor operates. The global economy represents the economic interactions between states as defined by the international order. Overall, this strategy is not used to cause immediate destruction or downfall of these entities but works as a campaign progressively over a long span of time.

Attrition against Local Regimes:

Attacks on critical infrastructure incur significant financial costs for a state. Some estimates show the total value of lost energy per hour due to a blackout in the European Union
is approximately $7.1 billion per day.\textsuperscript{110} Because most regimes manage a country’s energy systems, losses of power cause heavy financial strain on the state itself. Additionally, power outages cost some manufacturing firms in the Middle East an average of 4.8% of total sales.\textsuperscript{111} Foreign firms based in the Middle East may move their companies out of the region due to attacks, causing overall societal economic damage.\textsuperscript{112} Foreign Direct Investments from other states may also decrease, further inflicting harm on local economies and human development.\textsuperscript{113} Overall, Blomberg, Hess, and Orphanides found a negative influence of transnational terrorist incidents on economic growth in developing countries.\textsuperscript{114} Thus, attacks on critical infrastructure can cause significant financial damage to both developed and developing countries, weakening overall quality of life and government authority.

The attacks can make the government look incapable of protecting its infrastructure, unable to provide basic human services, and inept at protecting broader national security.\textsuperscript{115} Colombian leftist groups in the 1990s, such as FARC, attacked critical infrastructure such as power

\begin{thebibliography}{115}
\bibitem{Enders} Enders, Sachsida, and Sandler.
\end{thebibliography}
generating facilities and oil pipelines with the explicit goal of demonstrating the Colombian government’s ineffectiveness.\textsuperscript{116} As such, attacks on the energy sector also handicap the state’s ability to leverage funds to deliver public goods, such as energy, clean water, food, and financial stability.\textsuperscript{117}

The attritional strategy within “Economic War” can also be used to limit enemy security forces’ capabilities and their will to fight the armed non-state actor. Because it is difficult to protect infrastructure that spans long distances, such as pipelines and electrical lines, a military will be forced to deploy extra resources, exhausting its forces. This will contribute to the degradation of the enemy’s will to fight due to the constant need for deployment to vulnerable sites and therefore the vast reduction in resources.

Additionally, armed non-state actors will target electrical facilities, telecommunication towers, and fuel containers owned by an opposing military to damage its operational and intelligence collection capabilities. For example, in 2008, the Afghan Taliban began to attack telecommunication transmission masts to limit counterterrorism organization’s ability to gather intelligence against them, as they had been using the sites to do so. Similarly, in 2011, the Nigerian government began expanding its telecommunications intelligence gathering program, prompting to Boko Haram to follow the Taliban’s lead in 2012 by bombing telecommunications facilities.\textsuperscript{118} Thus, “Economic War” can be utilized overtime to inflict material losses and exhaust the enemy, preventing the state from fighting the armed non-state actor.

\textsuperscript{116} Ackerman et al., “Assessing Terrorist Motivations for Attacking Critical Infrastructure,” 159.
\textsuperscript{117} Kosal, “Terrorism Targeting Industrial Chemical Facilities”; Koknar, “The Epidemic of Energy Terrorism.”
\textsuperscript{118} Onuoha, “The Costs of Boko Haram Attacks on Critical Telecommunication Infrastructure in Nigeria.”
“Economic War” is not a strategy that is used to cause the immediate downfall of a state, as attacking infrastructure targets individually, such as electrical towers or individual oil wells, will not inflict enough costs on the state that it will surrender its power. However, the cumulative effects of targeting infrastructure could be severely damaging by harming its economy and forcing the state to deploy resources in fixing these sites that could be used for increased development in other areas. Such funding sources could include the state’s defense budget, which can reduce its capacity to implement counterterrorism operations and attack the armed non-state actor. Thus, “Economic War” can also disrupt the claim that governments can control the problem of terrorism.

Evaluating these factors connecting “Economic War” and the use of attrition strategy against local regimes, I propose by first hypothesis, H1: The Islamic State will use “Economic War” as an attrition strategy to weaken local regimes.

By utilizing “Economic War” as an attrition strategy, the Islamic State is seeking to progressively damage local regimes by weakening their economies, their ability to provide public goods, and their will to fight the actor. The Islamic State’s ideology legitimizes targeting local regimes specifically, demonstrated by Abu Umar Al-Baghdadi’s statement that “the rulers of Muslim lands are traitors, unbelievers, sinners, deceivers, and criminals,” and later his argument that the Islamic State “believes that fighting them (local regimes) is of greater necessity than fighting the occupying (Western) crusader.” Thus, the Islamic State believes that targeting local

119 Koknar, “The Epidemic of Energy Terrorism.”
regimes will purify the Muslim world of corruption and lack of compliance to their “true” Islamic beliefs. This strategy will ultimately allow the Islamic State to control territories for its caliphate, fulfilling the group’s ideological vision once again.

In addition to physically weakening state entities’ ability to function, the Islamic State utilizes “Economic War” to make a local regime appear weak in the eyes of the public, therefore sowing broad civilian dissatisfaction with the state and limiting the regime’s power. Furthermore, the Islamic State utilizes these attacks to increase targeting options, as the significant damage caused by attacking infrastructure results in the increased deployment of maintenance personnel and security forces that can also be harmed. Thus, the attacks can have a cascading effect that increases the group’s ability to launch more operations that weaken the state progressively, damaging its continued will to fight the organization.

However, as typically seen within the use of attrition by other groups, these attacks as viewed individually do not have a significant effect on the local regime’s functioning and its will to fight. When viewed collectively, I argue that the Islamic State deploys large amounts of attacks on critical infrastructure to hit multiple pressure points of the state. Because the Islamic State launches these attacks within a longer campaign, I argue that it seeks to attack a state throughout a significant period and does not utilize it to immediately destroy a regime. Therefore, if the Islamic States believes that it can immediately take control of a territory by launching a large scale, Blitzkrieg attack, it will not utilize this strategy due to its slow processing timeline.

Attrition against the Global Economy, Particularly the West:

In addition to weakening local regimes, “Economic War” can be used to attack the far enemy, particularly in the West, that operates closer to a group’s home base. It is important to
note that while some armed non-state actors have an exclusively local political agenda, others retain a local and transnational focus, such as the Islamic State and Al-Qaeda. These organizations will launch attacks on the West will satisfy their political goal of attacking the global economy. For organizations with a more localized focus that do not have an explicit political goal of attacking the West, these attacks on local infrastructure may be another method to attack the local regime, even if the infrastructure is owned by a Western company.

“Economic War” is therefore also used as an attrition strategy to intimidate and destabilize foreign government by attacking transnational companies and the global economy, whose activities are at ideological odds with a group’s. For example, left wing groups will seek to attack the global economy as its capitalist activities are antithetical to the group’s ideology, as the group may view it as exploitative to local citizens and non-Western populations. In 1983, the Shining Path attacked the German-based Bayer Corporation, a plastics manufacturer, in Peru, with the goal of first disrupting the global economy but also with the explicit secondary goal of attacking Western economic interests to protest “Yankee imperialism.”\footnote{Kosal, “Terrorism Targeting Industrial Chemical Facilities.”} Therefore, a group’s ideology can motivate it to attack Western companies that are viewed as symbols of exploitation and injustice.

Countries in which Western companies are involved can be more vulnerable to attacks, as terrorists will seek to damage these states as a method to remotely damage the interests of powerful enemy regimes. By attacking privately owned transnational companies at their locations closer to the group’s operation centers, a group can attack foreign economies and
actors indirectly, without having to travel far distances. This strategy allows groups to fight both the near enemy and the far enemy in the global and Western economies.\textsuperscript{123}

Additionally, by attacking firms based in the West at their satellite locations in non-Western countries, an armed non-state actor may be able to avoid direct backlash from a more powerful Western state, as the attack did not occur directly on Western soil. While Western countries may demand that a targeted state take greater action against the organization, this could provoke the state’s involvement in unnecessary conflict, exhausting the regime’s security resources and weakening the state overall. Even if the Western state demands greater action against the organization, the targeted state could seek to engage the non-state actor, unintentionally enhancing its power and legitimacy. Thus, “Economic War” attacks in non-Western countries that seek to attack the global economy avoids backlash from more powerful Western states and can contribute to the group’s attritional goal of weakening local regimes.

Furthermore, armed non-state actors that seek to destabilize the West will attack infrastructure linked to the global economy to sow mass chaos and disrupt the economic interests of multiple enemies. Attacks on the oil sector of one state can also destabilize the global economy by forcing price shocks in the oil market.\textsuperscript{124} For example, terror attacks in Saudi Arabia in May 2004 caused the highest rise in global oil prices since 1990.\textsuperscript{125} Additionally, attacking manufacturing facilities such as factories can cause global supply-chain problems, harming the international economy and limiting the wealth of foreign companies that are viewed as complicit

\textsuperscript{124} Tichy and Eichler, “Terrorist Attacks on the Energy Sector.”
in an enemy state’s actions. While increases in the prices of certain goods produced by the local regime can sometimes increase its revenue, the costs inflicted by limiting production will offset any sales benefits.

This discussion of the global dimension of “Economic War” has led me to propose my second hypothesis, \( H_2: \) The Islamic State, as a transnational organization, will use “Economic War to damage Western economic interests.

When focused on destabilizing the “far enemy” in the West, the Islamic State, a transnational Jihadist organization, will utilize “Economic War” strategy to damage the global economy. The organization will utilize “Economic War” through launching attacks on targets that are critical to production processes, whose damage will destabilize global oil prices, or whose depletion will harm multinational natural resource companies whose profits benefit Western states. Particularly because the global economy is controlled by mostly Western states, the Islamic State views that attacking pathways that funnel wealth to the global economy will directly assault the West’s power and influence. The Islamic State’s central leaders and ideologues, named Abu Bakr al-Baghdadi, have blamed the West for “pandering the wealth and the resources of the Muslims,” and have called for retaliatory strikes that “show the justification of Allah’s laws.” Here, the Islamic State’s ideology directly urges its fighters to attack Western wealth, particularly in states that contribute to this perceived corruption. Thus, Western-owned companies have significant symbolic significance within Islamic State ideology, leading attacks to be broadly supported by the organization’s base.

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126 Enders, Sachsida, and Sandler, “The Impact of Transnational Terrorism on U.S. Foreign Direct Investment.”
127 Tichý and Eichler, “Terrorist Attacks on the Energy Sector.”
These attacks that explicitly target the global economy are more likely to occur in states such as Iraq, Mozambique, and Nigeria, all countries with established IS networks. In these countries, natural resources are extracted by private companies that contribute to Western economic stability and growth. Therefore, the Islamic State will launch attacks on these corporations’ facilities to both harm Western wealth but also send a powerful message about their grievances regarding the exploitation of “Muslim-owned” resources.

Furthermore, it is possible that when the organization invokes ideologically popular phrases in its statements claiming attacks on Western economic interests, it is simply seeking to create support for its activities from local communities. Thus, while the organization may indicate that it is motivated to utilize “Economic War” due to its transnational benefits, the organization may use this phrasing as a cover for its desire to utilize “Economic War” to target local regimes directly. As such, these attacks will also have the secondary benefit of progressively harming local regimes that are viewed as complicit with Western states, increasing the Islamic State’s power. Ultimately, for branches that are focused on local insurgent development or that are in states without natural resources, “Economic War” attacks on the facilities of privately-owned companies will be less common.

Finally, the chaos sowed by these attacks can also lead to backlash against Muslim civilians around the world, which could prompt further radicalization of individuals, increasing the number of foreign fighters who seek to join the caliphate. However, I argue that this is not an intended consequence of “Economic War” strategy, but more of a secondary benefit.
3. **Factors Shaping the Use of “Economic War”**

How do armed non-state actors chose a strategy? There are several factors that could explain a group’s strategy selection, including ideology, capabilities, and public support.

**Ideology**

Ideology, or a set of beliefs that is driven by an entity’s politics, social beliefs, and religiosity, helps a group to define its political goals and objectives. These goals oftentimes are created to achieve a group’s ideological vision, such as the domination of one race or religious group over others, or the achievement of a separate state. After identifying these objectives, which are shaped in part by ideology, organizations will select strategies that are most effective in furthering these goals. Furthermore, ideology can be flexible, altering an organization’s objects and the strategies it selects. As such, Mendelsohn argues that ideological shifts can occur as part of a “feedback loop” that is caused by the organization’s operations and ideological leadership’s judgements on the legitimacy of these activities, which can change ideology consequently.129

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Ideology can also help an organization to articulate its target audience, particularly the set of actors it seeks to influence or coerce. These actors could be an enemy regime, a competing group, or potential supporters. The desire to influence a target audience to achieve a political goal also defines the individuals or structures that are targeted. For example, many religious terrorists view the world as divided into ‘us’ and ‘them,’ which can therefore legitimize wide-scale violence against communities that are not part of the faith. Similarly, transnational religious organizations tend to reject the idea of the state-based international order and target states to delegitimize their supremacy in the world. Thus, the state becomes a legitimate target within a transnational organization’s ideology and the group will seek to coerce state supporters, a target audience, by utilizing certain strategies to destroy the regime itself. Ultimately, ideology directs actors to specific strategies that are used to target a specific audience.

However, ideology also places constraints on who or what a group can attack. For example, in the case of a religious organization, such as Al-Qaeda, the group will avoid strategies that cause damage to Muslim-majority communities, as it believes in protecting the interests of all within its religion. In the case of “Economic War,” an organization’s ideology will therefore determine which enemy it is best to target, and which physical structures are most symbolic to attack, to coerce the state into submitting to the group’s demand or achieve popular support from sympathizers that share their ideological vision.

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In general, critical infrastructure alone has a relatively low symbolic meaning for most ideologies. However, critical infrastructure, particularly sites that are involved in the production or transport of valuable nature resources, can represent a local regime, particularly its role in the “injustices” that a group seeks to combat.\textsuperscript{133} Al-Qaeda, for example, ultimately sanctioned attacks on Saudi oil infrastructure to combat the regime’s (which AQ viewed as anti-Islamic) exploitation of “Muslim-owned” wealth. Additionally, ideology can motivate attacks on foreign companies to harm a local regime and the global economy. For example, in May 2021, Hamas militants launched dozens of rockets towards a natural gas rig, forcing the U.S. energy company, Chevron, to halt its operations at the site.\textsuperscript{134} Hamas’s ideology of attacking Israeli resources and the states that support Israel, such as the United States, prompted these attacks. While infrastructure may not carry the same symbolic weight as the state itself, it can be viewed as connected to the state and the global economy, and thus its destruction can be sanctioned by a group’s ideology.

In some cases, a group’s ideology can limit its attacks on critical infrastructure, particularly if the ideological norms prohibit attacks on a certain population or within a certain territory. For example, Islamic theorists have significantly debated the legitimacy of attacking critical infrastructure in the Middle East, some scholars were ideologically opposed to targeting energy infrastructure installations because their destruction could damage the livelihoods of Muslims.\textsuperscript{135} Furthermore, Al-Qaeda officials originally opposed attacks on oil installations as their destruction

\textsuperscript{135} Lia and Ashild, “Energy Supply as Terrorist Targets? Patterns of ‘Petroleum Terrorism’ 1968-99.”
could limit the establishment of a future Islamic Caliphate, which would depend on these facilities to obtain essential resources. Thus, ideology can sometimes limit a group’s usage of “Economic War” as targeting these entities can oppose the rules set forth by the ideology itself.

As discussed in the hypotheses above, ideology has a significant impact on the Islamic State’s use of “Economic War” as an attrition strategy to destabilize local regimes and the West.

Capabilities

An organization’s capabilities include its material resources, quality of its leadership, membership’s technical expertise and ability to innovate, familiarity with an environment, and ability to plan operations. These capabilities can shape organizational goals and strategy selection. Material resources available, such as weaponry and financial sources, can determine if an organization can carry out a strategy. Furthermore, a leader’s ability to clearly communicate the goals of a strategy and effectively plan operations determines how the strategy will be implemented by the group’s members. The membership’s ability to effectively implement strategies and select appropriate tactics for its completion is also essential in achieving established goals. Capabilities can also determine target selection, as if the target is heavily protected or requires complex weaponry or financial resources to destroy, the group will be unable to carry out the attack and will be forced to choose another target. In some cases, an organization’s desired objective may require resources beyond its capabilities, leading the group to adjust its goals and find a strategy that is compatible with its resource constraints.

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137 Drake, TERRORISTS’ TARGET SELECTION.
138 Drake.
Additionally, organizational size will impact how a strategy is selected and implemented. For example, large organizations with individual units, or “cells,” may choose to utilize less coordinated attacks, as these operations require less communication and planned movement, which can become more difficult as the number of individualized units increases. However, more personnel can allow groups to utilize riskier operations with more face-to-face confrontations, as the groups has enough manpower in reserve to compensate for any potential losses. Furthermore, large organizations can experience greater infighting amongst its members, leading to vulnerabilities in the membership’s ability to carry out coordinated attacks. Larger organizations face a tradeoff between exhausting their resources during high-level operations and implementing complex strategies that are more difficult for big groups to carry out.

Conversely, smaller organizations may be able to launch one large attack that will provoke an enemy into overreacting, such as the 9/11 operation, which causes civilian causalities and can lead to increased support for the group without requiring large resources. However, smaller organizations are more vulnerable to backlash by a targeted state, as attacks upon its safe haven can lead to mass causalities that depletes the group’s resources. Thus, when considering which strategy to implement, a smaller organization may need to balance the risk of backlash from a more powerful enemy with the perceived benefits of an operation that could increase its public support and could achieve political goals.

Additionally, the balance of power between the organization and the regime can determine which strategies are used. When an organization is significantly weaker than an

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opposing state, then the non-state actor’s use of conventional military tactics will be ineffective. Thus, the non-state actor must use a strategy that not only fits its capabilities but utilizes a mechanism of surprise that “outsmarts” the state’s superior mechanisms. Furthermore, an organization will use multiple different strategies across several close together territories, particularly when enemy control varies across the regions. For example, Algerian Armed Islamic Group’s (GIA) varied use of guerilla warfare and intimidation strategy across areas that it both controlled and that were contested.¹⁴⁰

Ultimately, capabilities can shape the strategy selection process. For example, a group with limited material resources may select that a strategy that it is inexpensive to carry out. Additionally, an organization with weak leadership that does not maintain a significant ability to plan operations may encourage its fighters to use independent operations such as lone-wolf attacks. More specifically, attrition strategy is also often selected by groups with limited capabilities as it is oftentimes carried out by individual cells who do not retain advanced capabilities. Conversely, an organization with lots of material resources may be less risk averse, and is more likely to select a strategy that a) requires the use of complex weaponry and many militants or b) that involves direct combat with enemy forces. Thus, capabilities will impact which strategy an organization chooses to implement. This interaction between capabilities and strategy choice is further discussed in my analysis in Chapter 6.

Capabilities Required for “Economic War”

The capability that is relevant to the use of “Economic War” is material resources, as attacks on critical infrastructure require limited resources, such as weaponry, funding, and personnel to

¹⁴⁰ Jones, Waging Insurgent Warfare.
carry out. Because planning these attacks is simple, the organization’s technical expertise and planning capabilities is less relevant to the strategy’s use. Generally, attacks on critical infrastructure are less expensive and require less weaponry. Therefore, these attacks are more appealing for a group with more limited resources. Ackerman et. al. argue that there is no single set of capabilities required to attack critical infrastructure and may differ depending on the type. However, it is this lack of specific capabilities that may allow for an attack strategy to be utilized in flexible situations where an organization’s capabilities may be more limited.

Organizations with limited capabilities will mostly attack soft targets, such as power lines and oil wells, as opposed to hard targets, such as nuclear power plants. One can easily observe that some aspects of energy transmission systems, such as oil and gas pipelines and power lines, are easier to locate. Furthermore, these targets can span long distances and generally are not highly protected, allowing groups to launch assaults more easily. However, attacking targets that are more secured and more difficult to access, such as nuclear facilities and oil refineries, requires group members to have complex knowledge of the energy system, which is rare and difficult to find. More complex weaponry may also be required to launch attacks, however these weapons are difficult for most non-state actors to obtain. Therefore, for groups with more limited capabilities, they will avoid targeting harder, grander targets and continue to damage lower-level structures such as electrical towers, lines, and pipelines.

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143 Ackerman et al., “Assessing Terrorist Motivations for Attacking Critical Infrastructure,” 159.
144 Toft, Duero, and Bieliauskas, “Terrorist Targeting and Energy Security.”
Because attacks on infrastructure are generally cheaper, terror organizations with more limited capabilities will utilize the strategy as it demonstrates the group’s continued ability to inflict damage and costs upon a society. This allows the group to continue to garner support and maintain its relevance. Tichý and Eichler also argue that due to the highly interconnected nature of the sites within the economy and society, the destruction of critical infrastructure can send an immediate message to the public that the group is able to disrupt citizens’ lives. However, this strategy, because of the limited publicity associated with attacks, will not serve as a significant method to increase a group’s power. Thus, organizations with greater capabilities may not utilize “Economic War” as frequently because the attacks do not significantly intimidate populations, as they do not cause large amounts of civilian causalities and receive less media attention as compared to attacks on enemy forces or civilians.

Because attacks associated with “Economic War” are typically easier to carry out than other conventional methods, an armed non-state actor may use this strategy in areas that are dominated by an enemy regime so to operate in more dispersed ways that avoid retaliation by a stronger enemy. The dispatch of enemy forces caused by “Economic War” could also help a mitigate the imbalance of capabilities due to increased targeting opportunities.

The “cheapness” of “Economic War” impacts my third hypothesis, H3: When the organization’s capabilities are limited, the Islamic State will use “Economic War” as it is “cheap” and requires limited resources.

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Due to the relative cheapness of “Economic War,” I argue that the Islamic State will rely more on this strategy when it has less capabilities in terms of personnel and material resources and will replace it with other strategies during periods of increased organizational strength. The Islamic State’s capabilities, especially in terms of leadership, membership, weaponry, and financial support have declined in recent years, forcing the group to look for cheaper methods to further its political and strategic goals.

Furthermore, the most common targets of IS’s “Economic War,” including electrical towers, oil and gas pipelines, and water wells, are “softer,” with more limited security. Because the Islamic State does not regularly attack “harder” critical infrastructure sites, such as nuclear power plants or oil refineries, its constant actions against softer targets indicate that it is preferrable for IS to carry out operations against easier targets. Additionally, the attacks against multi-national corporations and facilities that are based in countries with an active IS presence are cheaper to carry out than sending IS fighters to Western countries directly. This also allows branches with more limited capabilities to further IS’s ideological vision of attacking the West but also focus on local insurgent development. Thus, “Economic War” is ultimately cheaper for the Islamic State in terms of both resources and financial cost, and thus is a more attractive strategy.

However, it is possible that once the Islamic State rebuilds its capabilities, it will distribute its resources more heavily towards more complex attacks on human and military targets and will use “Economic War” less in the coming years, replacing it with other strategies that involve the use of conventional warfare.
**Popular Support**

The views of an organization’s current and potential supporters may also affect the group’s choice of strategy. Armed non-state actors rely on local community support as they are violent movements reliant on a social base. Boylan highlights Daniel Byman’s argument regarding importance of local passive support, which requires communities to turn a blind eye to terrorist activities and not to mobilize against the groups. For example, communities will provide implicit safe haven for terror organizations, making them essential in allowing the armed non-state actor to continue operations.146

Terrorist groups can develop active support from communities if the group manages to successfully frame the state as the enemy and the group as the defender of the public (or a segment of it).147 However, if their attacks on a population are unable to accomplish this goal and instead provoke backlash, it can be highly detrimental to the organization. While an organization may be able to coerce passive support from communities due to the threat of violence, in areas where an organization is more vulnerable and has less resources, reduced support could devastate an organization. For example, due to Al-Qaeda in Iraq’s “exclusive emphasis on religion and disregard of custom,” local Iraqi tribes revolted against the organization in 2006 and severely decimated operations, reducing the group’s material capabilities, territory held, and overall political influence.148 Similarly, in Pakistan, local clerics began to preach against Al-Qaeda’s killing of Muslim civilians, demoralizing key Al-Qaeda leaders and limiting the organization’s presence.

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147 Boylan.
in Southeast Asia.\textsuperscript{149} Thus, the armed non-state actor must ensure that its activities are not so unpopular with its supporters that it would contribute to an overall reduction in support.\textsuperscript{150}

Attacks on critical infrastructure can potentially alienate actual and potential supporters that depend on these resources. For some groups, particularly nationalist separatists, it is easier to locate key supporters in a specific territory (for example Kashmir or the Gaza Strip), and therefore these organizations can typically avoid alienating supporters. However, for religious organizations, supporters can be dispersed throughout a region, making it more difficult to discriminate against enemies and sympathizers.\textsuperscript{151} In addition to decreased support from sympathizers, groups could face the increased risk of rebellion by local populations who passively allowed the group to operate. Therefore, the risk of these attacks is heightened if local populations blame the perpetrator of the destruction directly or the state that is unable to protect itself. Thus, it is difficult for armed non-state actors to balance the benefits of targeting a regime’s economy and harming local supporters, and many organizations will choose the less risky strategy to avoid costly losses.\textsuperscript{152}

However, terror attacks on critical infrastructure rarely cause high numbers of causalities. Lee’s analysis of the top terrorist targets between 1970-2018 show that attacks on energy cause the least number of fatalities of all other targets.\textsuperscript{153} Therefore, it is unlikely that this strategy will cause a backlash in popular support due to the killing of innocent civilians, yet could cause dissatisfaction from key supporters due to the impact it has on civilian quality of life.

\textsuperscript{150} Drake, \textit{Terrorists’ Target Selection}.
\textsuperscript{151} Toft, Duero, and Bieliauskas, “Terrorist Targeting and Energy Security.”
\textsuperscript{152} Toft, Duero, and Bieliauskas.
\textsuperscript{153} Lee, “Oil and Terrorism.”
Understanding how “Economic War” relates to a group’s level of popular support, I propose the fourth hypothesis, H4, argues: **when the organization seeks to avoid a decrease in popular support, the Islamic State will utilize “Economic War” as a method to continue operations without causing mass casualties.**

Because terror attacks on critical infrastructure do not cause mass causalities, the Islamic State may launch these attacks, particularly during the periods of limited capabilities, to show potential supporters that is still a threat but to avert rebellion or local resistance. It is possible that the Islamic State will utilize “Economic War” strategy in areas that are mostly populated by Sunni Arabs, such as the Iraqi state-designated provinces of Salah Al-Din, Nineveh, and northern Diyala, due to the limited casualties caused by the attacks.\(^\text{154}\) I hypothesize that the Islamic State will utilize more forceful attacks in areas that are ethnically mixed, such as southern and central Diyala and Kirkuk, and thus “Economic War” will be less prominently used in these locations.\(^\text{155}\)

More broadly, attacking Western states economically is supported by Jihadis and other constituents, as there is a long history of colonial exploitation against these populations. Thus, the Islamic State may utilize “Economic War” to gain media attention that would lead to greater popular support, as its attacks on these targets may be viewed favorably by populations with anti-regime and anti-Western sentiments.


\(^{\text{155}}\) Brodsky.
Summary

Overall, the literature suggests that “Economic War” strategy may be adopted by terrorist organizations after viewing its successful implementation by other armed non-state actors, especially if the strategy meets the organization’s political goals and operational capabilities. As such, I provide four hypotheses in this section. The first two (H1 and H2) argue that the Islamic State utilizes “Economic War” as an attrition strategy to progressively damage the economic standing and stability of both local regimes and the global economy, namely Western powers. The third hypothesis (H3) argues that because critical infrastructure is easily accessed and requires less resources to attack, the group utilizes “Economic War” due to the “cheap” nature of carrying out the attack. Finally, the literature suggests that terror organizations may face backlash from the populations if a strategy causes high amounts of civilian casualties or damages necessary resources. Because “Economic War” typically causes less causalities than others, I argue in the fourth hypothesis (H4) that the Islamic State, which relies on local support for its success, is more inclined to use this strategy as it is a way to avoid popular backlash due to the limited causalities caused through attacks on critical infrastructure.

<table>
<thead>
<tr>
<th>H1</th>
<th>IS will use “Economic War” as an attrition strategy to weaken local regimes.</th>
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<tbody>
<tr>
<td>H2</td>
<td>IS, as a transnational organization, will use “Economic War” to damage Western economic interests.</td>
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<tr>
<td>H3</td>
<td>When the organization’s capabilities are limited, IS will use “Economic War” as it is “cheap” and requires limited resources.</td>
</tr>
<tr>
<td>H4</td>
<td>When it seeks to avoid a decrease in popular support, IS will use “Economic War” as a method to continue operations without causing mass casualties.</td>
</tr>
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Figure 3: Table of Hypotheses 1-4
4. **Methodology**

I test these hypotheses by first cataloging each claimed attack by the Islamic State on a variety of critical infrastructure targets, including electrical systems, oil infrastructure, gas infrastructure, water systems, agricultural sites, factories and industrial equipment, and financial institutions, in addition to the entities’ employees and security personnel from January 2016 to March 2022. I cataloged these attacks by analyzing 331 issues of *Al-Naba* magazine through performing keyword searches in Arabic. These key words included “iqtisawd” or “economy,” “nift” or “oil,” “kahrabah” or “electricity,” “ghaz” or “gas,” “ba-ir” or “well,” “zrah-ah” or “agriculture,” and “tgarah” or “commerce.” After identifying articles in which these key words were mentioned, I translated each article to understand the full description of the attack, and then identified the location of the attack, which branch carried it out, as well as the stated goal listed in the article.

To analyze my fourth hypothesis, which discusses the strategy’s impact on popular support for the Islamic State, I also calculated all casualties caused by “Economic War” attacks in 2021. While the Islamic State explicitly claims many of its attacks on critical infrastructure as part of its “Economic War” strategy in *Al-Naba*, it does not provide these labels for all attacks. However, to get a more accurate understanding of the relative share of these attacks as a part of all Islamic State attacks, I counted all Islamic State claimed attacks on these targets. Overall, the cataloging process was extremely extensive and was carried out over the course of approximately seven months.
During the cataloging process, I also compared the number of attacks I documented to data provided by Damien Ferré of Jihad Analytics, who performed an analysis using his own dataset of Islamic State attacks to determine the amount and frequency of attacks on critical infrastructure as part of the “Economic War” strategy as well as the number of total Islamic State operations per year.\(^{157}\) This comparison serves to provide verification of my data analysis, as Ferré’s analysis has been highly cited by other scholars of Jihadi terrorism, including Dr. Craig Whiteside. I then compare the number of “Economic War” attacks to the total number of attacks carried out by the Islamic State to determine both the prevalence and rate of “Economic War” implementation as compared to attacks on human targets.

Through the cataloging process, I coded each attack with the declared justification written in *Al-Naba*, such as “sectarian conflict with Shiite government,” “to weaken X state,” “to destroy

\(^{156}\) *Al-Naba* 296.

\(^{157}\) Morgan, “Jihadist Economic Warfare Targeting Communication Towers in Africa.”
X state’s economy,” “to destroy the global economy,” “to target counterinsurgency forces,” “to target a Western company,” etc. By coding each attack, I was able to deduce first the key motivating factors for waging “Economic War” and second which hypotheses are most supported by the Islamic State’s own justifications. In addition to attack claims, the Islamic State has also published longer articles within *Al-Naba* to explain the “Economic War” strategy and the political and military goals it strives to achieve. I also analyze these statements to provide supplemental, clear evidence to verify or disprove my hypotheses.

By documenting the location of each attack, my research can find which *Wilaya* utilizes “Economic War” the most. This understanding is important for two reasons: a) it allows me to study why some geographic regions are more vulnerable to critical infrastructure attacks than others and b) it allows me to analyze why the Islamic State is more reliant on “Economic War” in some areas rather than others to understand that location’s relative importance within the sum of the Islamic State branches.

A note about the accuracy of Islamic State media sources. While any organization seeks to promote its own self-interest through its media accounts and publications, it is widely considered that the group’s public statements regarding its operations are widely accurate and an indicative measure of the group’s global activities. The U.S.-led Combined Joint Task Force Operation Inherent Resolved, formed in 2014 to combat the Islamic State, has argued that the attack reporting is “largely accurate as an indicative measure, even if it obfuscates at times and exaggerates at others.”\(^{158}\) Thus, while the Islamic State’s statements regarding the effectiveness

of the operations may be exaggerated, the documentation of the incidence of the attacks is most likely highly accurate.

However, how do I test each hypothesis? For the first hypothesis, H1, evidence of the attrition strategy behind “Economic War” will be demonstrated through multiple mechanisms. The first pathway by studying the Islamic State’s public statements regarding its attacks, where it outlines the goal of each action taken. Additionally, an aspect of a war of attrition is repeated attacks by an actor on all facets of an enemy. Thus, if attrition drives the Islamic State’s “Economic War,” I expect that the organization will attack all targets that are part of a local regime’s economy, not only soft or hard targets. This analysis point will help me to understand the interaction between the Islamic State’s capabilities and its strategic choices, as if the group attacks only soft targets, then this would indicate that capabilities play a larger role in the strategic decision. Furthermore, if “Economic War” attacks are deployed consecutively over a significant period, this would demonstrate the attritional objective behind this strategy. This hypothesis will be also validated by understanding if the Islamic State is utilizing general attrition strategy across its Wilayat during the period of increased usage of “Economic War,” indicating this strategy’s place within the organization’s strategic outlook.

For the second hypothesis, H2, limited attacks on sites such as oil and gas infrastructure in IS Wilayat, which help to produce resources demanded by the global economy, would invalidate the hypothesis, or indicate that the global dimensions of “Economic War” is not a significant motivating factor. I will also scrutinize the group’s public statements claiming attacks to evaluate if the invocation of the global dimensions of the attack indicates that H2 is a motivating factor for “Economic War” or if this is not a primary causal factor behind the attack.
The third hypothesis, H3, will be evaluated by analyzing the organization’s total capabilities throughout the period between 2016 and March 2022. In times of stronger capabilities, particularly in terms of personnel, weaponry, and funds, I expect that the group’s use of “Economic War” would be more limited. However, as the group’s material resources decreases, I hypothesize that attacks on critical infrastructure will be more frequent. Similarly, in locations where the Islamic State has grown stronger, such as in West Africa and Afghanistan, I expect that the use of “Economic War” will decrease as the organization would choose to utilize more complex, impactful operations. In areas where the organization is currently, weaker, such as in Iraq, I expect that the use of “Economic War” will be greater. If the use of “Economic War” does not change in different provinces, then capabilities may not be as strong of a motivating factor as discussed by previous literature.

Finally, the fourth hypothesis, H4, will be evaluated through multiple mechanisms. First, I will track the number of casualties claimed by the group through its “Economic War” operations to understand if “Economic War” is truly a causality-averse strategy. Then, I will evaluate if the Islamic State changes its use of the strategy in areas of differing levels of popular support. Here, I hypothesize that in Iraq, the organization will use “Economic War” in more Sunni-dominated areas, where it will maintain greater levels of support. Similarly, I argue that it will utilize “Economic War” less in Shiite-dominated areas in which the organization will have less support. In Shiite-dominated areas, I expect that the Islamic State will seek to use more complex, damaging attacks as the organization is less concerned with harming civilians as less supporters are in these areas. Finally, I will evaluate the group’s statements to understand its focus on
obtaining media recognition for these attacks, to understand if IS utilizes “Economic War” as a method to gain broader recognition for its activities.

The tests of my hypotheses as well as my analysis of the attack’s locations helps me to pinpoint IS’s motivations for “Economic War” that counterterrorism personnel could target through policy. From these insights, recommendations could be produced for specific areas that face more “Economic War” than others.

In the following section I will provide background on previous Jihadi theory and usages of “Economic War” within their broader strategies.
Chapter 5: Previous Jihadi Use of “Economic War”

While Jihadi armed non-state actors’ use of “Economic War” strategy has been under-reviewed, their attacks on critical infrastructure have been documented by several academic studies. Pippard argues that Jihadi groups ultimately seek to achieve “maximum economic impact” on their enemies through the disruption of production processes and of the stability of international oil, transportation, and insurance costs. Similarly, a strategy of critical infrastructure targeting is beneficial for Jihadi groups seeking to target the “far enemy,” as these attacks impact highly integrated systems that can cause significant damage to populations that are accustomed to enjoying the convenience of easily accessible natural resources.  

Some studies discuss Al-Qaeda’s “Economic Jihad” strategy against the West and some Arab oil-producing states, such as Saudi Arabia and Yemen. Initially, Al-Qaeda was ideologically opposed to targeting energy infrastructure installations because their destruction could damage the livelihoods of Muslims. Al-Qaeda officials also raised concerns about destroying oil installations because it could limit their future use once the Islamic Caliphate was established. However, this opposition changed in the years following 9/11, when Al-Qaeda identified damaging the global economy as a possible strategy to achieve their goal of attacking the West. In 2003, Osama Bin Laden emphasized in his “Sermon for the Feast of the Sacrifice” the need to destruct the American economy by targeting specific weaknesses, such as its reliance on oil from the Middle East.

159 Ackerman et al., “Assessing Terrorist Motivations for Attacking Critical Infrastructure.”
161 Pippard, “‘Oil-Qaeda’: Jihadist Threats to the Energy Sector.”
162 Tichý and Eichler, “Terrorist Attacks on the Energy Sector.”
A 2004 publication by Saudi ideologue Sheikh Abdullah bin Nasir al-Rashid titled “Laws of Targeting Petroleum-Related Interests and a Review of the Laws Pertaining to Economic Jihad” provided the ideological justification for this new strategy. Al-Rashid’s work outlined the rules of engagement for “Economic Jihad” and established legitimate targets. He believed it was legitimate to target Western interests only by increasing global oil prices, heightening infrastructure protection costs, and damaging the economic reputations of individual states, but not by harming the lives of Muslim civilians directly. For example, Al-Rashid deemed the targeting of oil wells, refineries, and production plants as illegitimate, as the negative impacts of the operations on Muslim civilians and their livelihoods outweighed the benefits. Al-Rashid also highlighted the ease of these attacks for the group, as attacking oil pipelines specifically was less costly and easier to carry out.\textsuperscript{163}

Following this publication, Bin Laden explicitly stated his desire for fighters to begin attacking American economic interests to progressively weaken Western forces and push them to withdraw from the Middle East. Bin Laden stated:

“One of the main causes for our enemies’ gaining hegemony over our country is their stealing our oil... Focus your operations on it, especially in Iraq and the Gulf area, since this will cause them [the United States and their allies] to die off [on their own].”\textsuperscript{164}

Bin Laden also recalled the Taliban’s previous success against the Soviet forces in the 1990s, in which the Mujahideen “bled Russia for 10 years until it went bankrupt and was forced to

\textsuperscript{163} Pippard, “‘Oil-Qaeda’: Jihadist Threats to the Energy Sector.”

\textsuperscript{164} Tichý and Eichler, “Terrorist Attacks on the Energy Sector.”
withdraw,” and stated his objective to “make the U.S. bleed profusely to the point of bankruptcy.”

Other Al-Qaeda leaders, including Ayman Al-Zawahiri, Bin Laden’s successor, also promoted a strategy of “Economic Jihad.” In 2005, Zawahiri stated in an interview,

“I call upon the mujahidin to focus their campaigns on the stolen petroleum of the Muslims... the enemies of Islam are consuming this vital resource with unparalleled greed. It is incumbent upon us to stop this theft any way we can... to save this resource for the sake of the Muslim umma.”

While the goal of Al-Qaeda was not to destroy local infrastructure completely, the group sought to limit both Western and Saudi access to these resources to increase profit access for Muslims.

Following these statements from influential leaders in public media spheres, online Al-Qaeda communications channels showed a flurry of statements promoting “Economic Jihad” from 2005-2006, particularly pushing for attacks in Iraq. However, it is unclear if these statements translated into the group’s capacity to carry out the strategy, as Al-Qaeda only was able to carry out three documented attacks against Western, Saudi, and Yemeni infrastructure targets from 2002-2006. In fact, communications in 2009 from the Al-Fallujah Forum show this illuminating statement: “We notice in the recent periods a lack of interest by the mujahideen to attack oil pipelines and refineries. Therefore, we call upon the Islamic State of Iraq and other mujahideen to attack those pipelines, which supply the occupation. They are the source of their survival so far in Iraq.”

Therefore, the use of this strategy did not take off, despite encouragement from AQ leadership.

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167 Pippard, “‘Oil-Qaeda’: Jihadist Threats to the Energy Sector.”
Pippard argues that while there was interest from Al-Qaeda and its branches to carry out this strategy, it may not have had the effectively capabilities to do so. The most recent documented Al-Qaeda discussion of “Economic Jihad” came in a 2014 issue of “Resurgence,” in which Khalid Hamza emphasized the impact of this strategy on the global economy: “[a] sustained disruption in this supply system would not only increase insurance costs for international shipping, but also affect the price of oil globally.”168 According to the Global Terrorism Database, it is estimated that Al-Qaeda has carried out approximately 47 attacks on infrastructure in Algeria and Yemen, where its Al-Qaeda in the Arabian Peninsula and in the Islamic Maghreb are active. However, these activities have not been shown to be part of a broader strategy to attack critical infrastructure across the areas in which Al-Qaeda operates.169

It is also important to note that the focus of “Economic Jihad” began during the American invasion into Iraq in 2003 and was promoted mostly within the Al-Qaeda in Iraq (AQI) and Islamic State in Iraq (ISI) branches, predecessor organizations to the Islamic State. Onuoha argues that the usage of “Economic War” by other Jihadi terror and insurgency groups, such as the Taliban and Boko Haram demonstrates that organizations “tend to copy tactics or strategies adopted by older terrorist groups in dealing with any problem or achieving their strategic objectives.” 170 Therefore, IS leadership may have learned of the strategy through their involvement with the branches and was carried forward during the implementation of the strategy in 2019.

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168 Tichý and Eichler, “Terrorist Attacks on the Energy Sector.”
169 “GTD Search Results.”
Chapter 6: Discussion of the Islamic State’s “Economic War”

1. The Islamic State’s Historical Relationship with Oil and other Economic Interests

Since 2005, the Islamic State and its precursor organizations have maintained a strategy of income generation through extortion, kidnapping, and capturing local enterprises. By 2014, a complex extortion network was established to generate over $12 million per month. However, by conquering a territorial entity filled with almost 8 million people by 2014, the organization became “the world’s poorest state” and needed to garner increased revenue. By 2014, the group was estimated to sell more than 70,000 barrels of illicit Syrian and Iraqi oil daily, generating between $30 and 90 million per month. The acquisition of oil resources increased when the Islamic State seized several oil fields near Deir ez-Zor, Syria.171 The group also sold a large part of the oil it controlled to traders, who sold it to small refiners for income. Some refiners sold part of the products back to the Islamic State for the caliphate’s use. Finally, IS also exploited agricultural, water, and electricity resources to gain funding it could use to govern its territory.

The Islamic State’s ideologues confirmed the legitimacy of this exploitation strategy. In Abu Bakr Al Baghdadi’s July 2014 “Message to the Mujahidin and the Islamic Ummah in the Month of Ramadan,” he promoted this strategy, arguing that the West and local regimes “plundered the wealth and resources of Muslims.” Al-Baghdadi demanded an increase in terrorist activities that would “show the justification of Allah’s laws.” IS not only utilized oil to generate income, but also built a “highly politicized” oil market to sell to civilians, the Syrian government, and

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and other groups to participate to elevate IS’s political power. The development of its energy strategy also allowed the Islamic State to control oil as a valuable political weapon against the West and its allies, as many states depended on this resource economically and for everyday use. In addition, income generation through the exploitation of Syrian and Iraqi resources acted as an advertising method to recruit more fighters. Finally, illicit oil resources were used for fighters to start fires in order to create a smokescreen for their retreat following operations.

However, due to its loss of territory in Iraq, Syria, and Libya by 2017, the Islamic State also lost its control of critical infrastructure sites and natural resources. By 2017, the group only controlled approximately 8 oil fields as compared to 25 in 2014, and only produced hundreds of barrels per day, as compared to up to 80,000 in 2014. The destruction of the Islamic State’s oil resources most likely had been caused by U.S. efforts to destroy this sector, which included raids on the home of IS’s oil manager in 2015, the obtainment of intelligence about the resource extraction operations, and strikes on energy infrastructure. The loss of capabilities and resources appears to have caused this shift in the group’s natural resource and infrastructure strategy away from exploitation and control. However, instead of completely ceasing its interaction with the natural resource and infrastructure sectors and focusing on a strategy of

172 Le Billon.
175 Tichý, “Terrorist Attacks on the Energy Sector.”
178 Le Billon, “Oil and the Islamic State.”
terrorism targeting humans, the Islamic State has developed a strategy of “Economic War” to destroy these resources.

Only several existing studies focus on this change in strategy. From 2014-2017, Tichy hypothesized that the Islamic State launched terror attacks against the Iraqi and Syrian energy sector to take control of the sector, damage energy infrastructure, destabilize the enemy’s economy, and burn oil for military purposes. In North Africa, IS employed tactics such as kidnapping of Western employees and bombing energy infrastructure to damage the local regime’s credibility and to target the global economy by disrupting oil prices and export channels. Such attacks could have increased the value of oil sold by the Islamic State, as other states were unable to produce the resource, increasing demand for the non-state actor’s product. Because the group no longer produces energy resources, it is important to investigate why it continues to attack infrastructure. While I seek to validate Tichy’s claims regarding the goal of Islamic State against the energy sector to destabilize regimes, I argue that these studies fail to understand the complete nuances of the Islamic State’s “Economic War” in terms of the groups political objectives and existing strategies.

2. The Data Regarding Islamic State’s Economic War

Between January 2016 and December 2021, the Islamic State has carried out 550 attacks on critical infrastructure within the framework of its “Economic War” (Figure 1). While this number represents only a 2.2% share of total Islamic State attacks between 2016 and 2021, “Economic War” operations have increased by 673% since 2016. Furthermore, attacks on critical infrastructure targets represented 8.8% of total IS attacks in 2021, a significant increase from

179 Tichy, “The Islamic State Oil and Gas Strategy in North Africa.”
0.45% in 2016 (Figure 2). Most notably, even as Islamic State operations have decreased globally by 61%, “Economic War” attacks have increased considerably (Figure 3). The following analysis will seek to understand why the Islamic State has increased its usage of “Economic War” since 2016 and the relationship between this strategy and its correlating operations with IS strategy.

![Figure 1: Islamic State Attacks on Critical Infrastructure, Jan. 2016 - Apr. 2022](image)

“Economic War” as Compared to Total IS Operations

![Figure 2: IS Critical Infrastructure Attacks and Total IS Attacks Jan. 2016 – Apr. 2022](image)

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180 Jihad Analytics, “3/ To Start with, It Is Interesting to Note That the Number of Islamic State’s Attacks Has Stabilised since the Fall of Baghuz (March 2019), Last IS Stronghold in Syria. The Slight Drop Can Be Explained by the Fact That the Group Didn’t Claim Most of Its Attacks in Syria in 2021. Https://T.Co/6iD0J5DBoX,” Tweet, @Jihad_Analytics (blog), January 24, 2022, https://twitter.com/Jihad_Analytics/status/148560320043844350.
Figure 3: Share of “Economic War” Attacks of Total IS Attacks Jan. 2016 – Apr. 2022

Targets

Through an examination of the data collection of Islamic State attacks on critical infrastructure, it is evident that the most attacked sector is the electricity and power sector. Attacks on electrical towers accounted for approximately 30% of attacks, while the organization launched attacks on electrical transformers (11.4%), generators (2.4%), lines, and poles as well. The oil sector was the second most attacked division of critical infrastructure, with attacks on oil wells, pipelines, tankers, and refineries accounting for 17.6% of all “Economic War” operations. Agriculture targets, including crops, poultry farms, and tools were also commonly destroyed particularly in Southeast Asia and Iraq. Notably, attacks on the personnel employed by local regimes to protect infrastructure (coded as “facility protection forces”), namely oil, were frequently targeted following attacks on the infrastructure itself, correlating to a military tactic employed by the Islamic State to draw out forces to the sites they attacked.
The trend of attacks on electrical infrastructure, including towers and lines, mirrors the data compiled by the Energy Infrastructure Attack Database (EIAD), which found that 50% of armed non-state actor attacks on critical infrastructure from 1980-2011 were on electricity sources, while approximately 15% were on oil targets. Giroux et. al argues that this trend is most likely due to the “soft” nature of electrical targets as compares to oil refineries or power plants, which are more securely protected. The lack of security surrounding electrical targets may be a motivating factor for the Islamic State to attack these targets in such high volume as compared to more protected sites.

A vast majority of the infrastructure targeted was owned and operated by local regimes in Iraq, Syria, Libya, Egypt, Afghanistan, and Nigeria. In some regions, the Islamic State targeted property owned by local tribes and militias, such as the Popular Mobilization Forces and the PKK.

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181 Giroux, Burgherr, and Melkunaite, “Research Note on the Energy Infrastructure Attack Database (EIAD).”
However, these entities often work in support of a local regime to weaken the Islamic State, and as such the organization may perceive these actors as part of the state itself. In some cases, “Economic War” was launched on private property, particularly owned by Christians in West and Central Africa, Jews in Israel, and Shiites in Iraq.

![Figure 5: The Targeted Sectors of “Economic War”](image)

![Figure 6: The Critical Infrastructure Targets of “Economic War”](image)
Branch Distribution and Locations

Most “Economic War” attacks took place in Iraq (77%), followed by Syria (10%). Thus, the locations in which the Islamic State’s central command (IS-C) is located have seen considerable higher numbers of “Economic War” attacks than any of the group’s Wilayat. The third most popular Wilayah for “Economic War” was Islamic State- Khorasan Province (ISKP), which is based in Afghanistan. The group’s total operations have increased considerably since the United States declared its intent to withdraw from the country, and this rise in “Economic War” operations correlates with this trend.¹⁸² Other Wilayat in which “Economic War” occurred include IS-West Africa Province, IS- Central Africa Province, and IS- Sinai. However, the shares of “Economic War” attacks of each Wilaya’s total attacks in 2021 are similar, with the highest share coming from the Iraq with 11%, followed by 7 percent in Afghanistan, 5 percent in Central Africa, and 3 percent in West Africa. The primary usage within Iraq could be correlated to the presence of Islamic State leadership directly in the region and the strong amount of strategic coordination between leadership in Iraq and militants, as the coordination decreases the farther the Wilaya is located from the central leadership. However, the similar shares of “Economic War” of total operations across Islamic State Wilayat indicates that the usage of “Economic War” in Iraq does not completely drive the strategy’s output. While the data suggests that “Economic War” strategy primarily occurs in Iraq, it has been used more actively across the organization in 2021.

By analyzing each Islamic State statement regarding the intent behind its attack within the “Economic War” strategy, I was able to isolate several common stated motivations and code them for each attack. It is important to note that the Islamic State sometimes indicated multiple motivations per each attack, and in my data attributed multiple motivations to each attack as stated by the organization itself. While each stated goal must be analyzed critically, it is important to understand how the Islamic State frames “Economic War” to assess its place within broader organizational strategy.

The most common motivation listed by the Islamic State in its attack claims is the targeting of local regimes. This goal was mentioned in 532 statements. 306 of these statements mentioned the group’s goal of directly attacking the regime’s economy and property. Furthermore, at least 13 of the 532 attacks explicitly argued that “Economic War” was part of the
organization’s attrition strategy. Another aspect of the state that the group attempted to target through “Economic War” was regime-backed counterterrorism operations, such as the PKK and the Iraqi tribal mobilization, which directly engage in conflict with the Islamic State. This objective was mentioned 18 times. Attacks on counterterrorism forces’ property also represent an attritional goal of progressively weakening an enemy state through a different pathway.

Interestingly, the Islamic State only mentioned its goal of attacking Western economic interests for three attacks, indicating the limited salience of this motivating factor. Other broad operations on cities in Central Africa, located near Western-owned gas projects, mentioned the economic dimension of the Islamic State’s attacks in that area. However, statements connecting “Economic War” to attacks on the West were very limited.

The Islamic State also mentioned the motivating factors behind “Economic War as weakening competing organizations (1 time), obtaining media attention (at least twice), and provoking enemy militaries to increase targeting opportunities (8 times). “Economic War” is situated within the organization’s broader war against Shiite Muslims at least 158 times, as the group oftentimes mentioned its desire to target the wealth of its enemy sect. Similarly, the group sought to attack the property of Christians and Jews based in the locations in which they operated, mentioning this goal within their public statements at least 10 times.

Ultimately, these stated motivations demonstrate the limitations to the use of Islamic State’s self-reports, as other motivations may not be detailed in its announcements. These statements will be combined with other correlated insights in the analysis section to evaluate my hypotheses in a more nuanced manner.
3. **Analysis of My Hypotheses on Why the Islamic State Utilizes “Economic War”**

**H1: The Islamic State will use “Economic War” as an attrition strategy to weaken local regimes.**

Following the loss of their final piece of territory in 2019, the Islamic State began to pursue an attritional strategy of retreating from urban areas and launching a rural, locally based insurgency in Iraq and Syria. As a reminder, attrition is strategy that is used erode the will of the enemy by launching small-scale attacks against physical targets of value, such as citizens or physical structures. These attacks are not used to quickly destroy an enemy, rather used in a progressive style to damage the enemy’s will to fight against the insurgent. These attacks do not regularly involve direct battlefield conflict with enemy soldiers and are launched in guerilla style by small cells of fighters.

As the organization’s capabilities and territory began to shrink in 2017, the Islamic State increased its promotion of “Economic War” to “exhaust its enemies” within the Global Coalition. Compatible to the objectives of an attritional strategy, the Islamic State promoted a strategy of attacking its enemies’ wealth in the 11th issue of its *Rumiyah* Magazine, stating:

> “And it is a must on every muwahhid to expand the scope of his jihad to include waging war on the kuffar’s wealth – for the war on wealth and economies represents the largest of the arenas of jihad... And there is no doubt that exhausting the wealth of the kuffar today has a major impact on our war with them.”

Thus, by attacking the wealth of the United States, the Islamic State sought it could threaten its economy security and increase the group’s leverage through an attrition strategy.

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The Islamic State’s operations from 2019 to the present day closely mirror its activity as the Islamic State in Iraq (ISI) between 2009 and 2011. At the time, ISI pursued a strategy of material rebuilding and engagement with local communities after it faced significant pushback from the Sunni “Tribal Awakening” movement. Additionally, operations were launched through guerilla warfare in the form of small-scale attacks on local regimes, which was prompted by directions given in the “Fallujah Memorandum,” in which ISI leaders instructed its militants to constantly target and therefore exhaust enemy Iraqi forces. It appears that following the loss of the territory it controlled, the Islamic State has followed this model of rebuilding while still remaining operationally viable, pursuing a strategy of attrition to prevent the stabilization of local regimes while the group reorganizes and regains strength.

While an attritional strategy in the form of “fleeting attacks” on government forces has been utilized throughout the Islamic State’s history, the group began to promote this tactic more actively, which strongly correlates with a broader attrition strategy, in 2019. The strategy was explicitly advocated by the group’s former caliph, Abu Bakr al-Baghdadi, in April, following the loss of Baghuz, the group’s final piece of territory. Baghdadi explicitly argued for “Economic War,” stating, “So we recommend to all of them to attack their enemies and exhaust them in all of their capabilities - human, military, economic, logistical - and in all matters. Our battle today is one of attrition and stretching the enemy.” To avoid loss of further capabilities, including manpower,

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184 Ingram, Whiteside, and Winter, “The Islamic State’s Global Insurgency and Its Counterstrategy Implications.”
186 Ingram, Whiteside, and Winter, “The Islamic State’s Global Insurgency and Its Counterstrategy Implications.”
187 Ingram, Whiteside, and Winter.
IS leaders urged their fighters to avoid direct confrontation with enemy forces, signifying a shift in strategy away from convention warfare towards guerilla war and attrition as Baghdadi commanded.\(^{189}\) While small Islamic State cells of 6-25 militants remained active in 2019, Ingram, Whiteside, and Winter argue that the objectives of their operations were “were limited to relatively low impact signaling violence geared towards denying the emergence of security, signaling local resolve, and degrading enemy morale.”\(^{190}\) Thus, “Economic War” was first emphasized in 2019 within the Islamic State’s attrition strategy to degrade the will and stability of local regimes.

Unsurprisingly, in 2019 the use of “Economic War” attacks significantly increased, primarily occurring during a farmland burning campaign in Iraq. In May 2019, the Islamic State argued in the 184\(^{th}\) issue of its *Al-Naba* magazine:

“Today, by the grace of God Almighty, the attacks of the Mujahideen have begun to intensify and increase... not the last of which is the burning of their (apostates’) farms and properties, and what by the grace of God, the door of jihad has been removed wide for the mujahideen to achieve vexation and rationalization of the Crusaders and apostates, and to cause loss to their money and property.”\(^{191}\)

Thus, by first targeting enemy property and financial resources, the Islamic State believed it could open a much larger insurgency against local regimes.

The Islamic State’s attrition strategy was established more firmly in 2020, as the group sought to “impede normalization,” disrupting efforts to stabilize areas recaptured by local regimes following the destruction of the Caliphate.\(^{192}\) In the 213\(^{th}\) issue of *Al-Naba*, IS explains


\(^{191}\) Ingram, Whiteside, and Winter, “The Islamic State’s Global Insurgency and Its Counterstrategy Implications.”
that its attacks, while limited in lethality and destruction, force Iraqi forces to remain constantly alert and drain the Iraqi regime’s defense budget, weakening their ability and will to fight the insurgency. Exploiting broad popular dissatisfaction with the regime, which presented in the form of intense protests in 2019 and continued with the advent of COVID-19 in 2020, the Islamic State sought to capitalize on the regime’s weaknesses to regain popular support from the Iraqi public. By attacking critical infrastructure, such as electricity towers that are essential in transmitting energy to urban centers, the Islamic State attempted to “increase the economic burdens on the government with the already heavy Rafidah (Shiites) crises.” Thus, within the framework of a broad attrition strategy, the Islamic State sought to progressively mount pressure on the Iraqi regime economically and politically to weaken its ability to function, thereby decreasing support for the government.

In November, the Islamic State again used “Economic War” to demonstrate its renewed strength to its Iraqi enemies by attacking the Siniya oil refinery, a significantly harder target than electricity towers, which are the vast majority of “Economic War” targets. It appears that the Islamic State launched this attack to obtain media attention and increase its threats against the local regime’s economy and political stability. Thus, as part of its attritional war, the Islamic State utilized higher profile “Economic War” attacks to weaken the enemy’s capabilities but also to attract attention towards the group, weakening support for the regime. Therefore,

195 The Islamic State, “In Katyusha... Caliphate Soldiers Bombed (Al-Siniya Refinery) and a Big Fire Broke out inside It,” Al-Naba, no. 262 (November 2020): 6.
196 The Islamic State, “The Economic War... the Mujahideen Bomb Electrical Lines West of Al-Anbar,” Al-Naba, no. 264 (n.d.): 8.
“Economic War” can have multiple objectives, including an attritional destruction of enemy capabilities as well as a reduction of public support for the regime.

Figure 8: Image of the “Siniya” Oil Refinery Attack in November 2020

In Libya and Egypt, the Islamic State’s use of “Economic War” also increased with the objective of targeting local regimes. Particularly in Libya, the Islamic State had launched a war of attrition since 2017, mirroring the strategic developments in Iraq and Syria. This strategy included high-profile attacks on state institutions, namely oil infrastructure, as well as guerilla attacks on local tribes. In 2020, the Islamic State launched multiple attacks on the economic interests of local tribes, mirroring similar attacks that were launched in Iraq. Similarly, most Islamic State attacks in Egypt focused on launching an attritional campaign, particularly in the form of kidnapping and execution of Egyptian armed forces and IED bombings. As such, the Islamic State also launched multiple attacks on Egyptian economic interests to slowly remove the Egyptian state from the Sinai Peninsula, its central strategic goal. Thus, as part of the attritional wars in Egypt and Libya, the Islamic State launched “Economic War” attacks to slowly weaken enemy regimes and forces.
Despite a significant decline in Islamic State operations in Iraq and Syria, the group’s usage of “Economic War” attacks increased substantially in 2021 across Iraq, Syria, and Afghanistan. In Iraq and Syria, the Islamic State continued to operate a low-level insurgency, mostly confined to rural areas in the deserts and mountains. In the second and third quarter of 2021, “Economic War” attacks made up approximately 15 percent of total Islamic State operations in Iraq, the highest ratio as compared to any other period of the group’s activity.197

A pivotal period within the Islamic State’s “Economic War” was its campaign of targeting electrical towers, or pylons, which was launched in June and July 2021, during the peak heat of the Iraqi summer. This campaigned to increase the group’s attritional pressure on local regimes, particularly as causing power outages during periods of extreme heat exacerbate water shortage and general public health issues.198 During this campaign, the Islamic State more publicly explained its motivations for the use of “Economic War,” explaining its desire to force local regimes to utilize financial resources to repair damaged infrastructure, exhausting the enemy and reducing the amount of funding the regime could use in its counterinsurgency campaign. By repeatedly targeting electrical towers, the Islamic State believed that it could “ensure the greatest possible attrition and exhaustion,” to limit the regime’s ability to “reform and restore this sector.”199 This strategy limits the local regime’s ability to deliver public services, sowing continued dissatisfaction with the regime and creating political crises that limited the

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government’s ability to fight the insurgents. Similarly, in Afghanistan, “Economic War” attacks significantly increased as the Islamic State launched a stronger guerilla campaign against the Taliban with the goal of demonstrating the group’s inability to effectively lead and protect Afghanistan, decreasing popular support for the new regime.

Figure 9: Images of Islamic State attacks during its “Pylon Campaign in Iraq”

Finally, an additional aspect of the Islamic State’s attritional “Economic War” was its ability to draw out security forces, increasing the number of targets available. During multiple attacks, the Islamic State would intentionally attack a soft infrastructure target to draw out enemy forces to the area to increase the number of human targets to attack. These increasing targets included not only Iraqi military forces but also maintenance workers and engineers called by the local regime to fix the damaged infrastructure. As part of its discussion of its motivation

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201 Al-Naba 290 and 294.
for its campaign of targeting electrical infrastructure as part of “Economic War” in July 2021, the group explicitly argued that an explicit goal, and accomplish, of the campaign was “establishing many new military targets scattered outside the cities.” Indeed, during the time of the “Pylon Campaign” that targeted the Iraqi power grid, the Iraqi Joint Operations Command launched a plan to protect electrical towers through the use of drone technology, aviation, and deploying extra forces. Just after the Iraqi forces deployed soldiers to protect the electrical towers that had repeatedly been attacked, IS militants targeted the soldiers, killing four individuals and demonstrating their ability to weaken the Iraqi defenses. Furthermore, by forcing the Iraqi state to utilize extra resources that could be used for other defense or development projects, the Islamic State exhausts the Iraqi regime’s forces and functionality.

202 “IS Military Official Discusses Impact of Targeting Iraq’s Power Sector in Naba 294.”
204 Al-Naba 294.
It is evident that “Economic War” falls within the Islamic State’s broader attrition strategy, rather than other armed non-state actor strategies, because it differs significantly from the group’s prior strategies utilized from 2014-2016, which included the use of conventional warfare. According to Omar Ashour, the Islamic State alternated between these strategies to encroach on territories controlled by local regimes and to “liquidate” local military and tribal

<table>
<thead>
<tr>
<th>Wilaya</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iraq and Syria</td>
<td>Increased use of “Economic War” on electrical and oil infrastructure as part of attritional war.</td>
<td>Continued increases in use of “Economic War,” this time adding a campaign to target agricultural sites. Larger scale attack was launched on oil refinery in November 2020. War of attrition continues to be launched in the country.</td>
<td>“Economic War” attacks increased to its highest ever level. Most of these attacks occurred in Q2 2021, during the organization’s “Pylon Campaign.” Guerilla warfare in rural areas was very strong in the first half of 2021.</td>
</tr>
<tr>
<td>Libya</td>
<td>No instances of “Economic War,” yet war of attrition raged across the country in response to IS loss of territory</td>
<td>Increased use of “Economic War” to target national economic sites and tribal property as part of attrition war.</td>
<td>No use of “Economic War” as IS operations in Libya stalled to lowest level.</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>Limited instances of “Economic War” as part of a limited attritional campaign against the Afghan regime and the Taliban. ISKP capabilities low so attacks were limited.</td>
<td>ISKP attacks again were limited in 2020, and as a result its war of attrition was very weak. Thus, “Economic War” was used infrequently.</td>
<td>ISKP utilized a mix of guerilla warfare and urban terrorism as its capabilities start to increase. As such, “Economic War” attacks increase.</td>
</tr>
<tr>
<td>Egypt</td>
<td>Egyptian attacks were highly limited and as such no instances of “Economic War” occurred.</td>
<td>Economic war attacks against the Egyptian regime in Sinai increased as part of an attritional campaign to slowly remove Egyptian forces from the peninsula.</td>
<td>Attacks in Egypt stalled, and as such no “Economic War” attacks occurred.</td>
</tr>
</tbody>
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Figure 10: Role of “Economic War” in Islamic State Attritional Wars from 2019-2021
leaders through targeted assassinations in order to take control over an area. This involved directly combating enemy forces, which is explicitly not an aspect of “Economic War” as seen through the direction of Islamic State leadership. An attack on critical infrastructure that would be attritional would involve a direct assault and takeover of an enemy regime’s complex infrastructure system, such as a nuclear power plant or oil refinery. In that form of an attack, the Islamic State would have to fight enemy forces directly effort to suddenly take control of a site, rather than progressively demolishing a piece of infrastructure over time. These kinds of attacks have not occurred officially as part of the Islamic State’s “Economic War” strategy from 2016 to 2021. Thus, “Economic War” directly fits with the group’s attritional strategy beginning in 2019 of attacking yet avoiding direct enemy combat, and not with its previous strategy of conventional warfare.

However, as discussed in the methodology section, “Economic War” would be classified as fully an attritional strategy if the Islamic State attacked every critical infrastructure target to fully exhaust and weaken the regime. Ultimately, the organization has not attacked every possible target. Avoiding hard targets, including every Western-owned oil and gas projects, nuclear power facilities, water sanitation plants, or other state-owned refineries, IS mostly focused on targeting soft targets such as electrical towers and oil pipelines. This indicates that the Islamic State’s limited capabilities may have driven the organization away from launching a full war of attrition and forced the group to focus on attacking soft targets, which had a more limited impact on the regime. Therefore, it is likely that the Islamic State’s capabilities drove its

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205 Ashour, How ISIS Fights.
choice of strategy in attrition but also prevented the full exercise of the strategy as the group’s resources are limited.

Ultimately, because the Islamic State is currently pursuing an attritional strategy across its Wilayat, “Economic War” functions as an additional sub-strategy with the goal of progressively weakening local regimes by targeting their economies and infrastructures. By contributing to the regime’s economic losses, the group seeks to weaken public support for the regime, creating political crises that distract the state from the growing local IS insurgency. Finally, by causing local regimes to deploy more security forces to protect critical infrastructure, the group increases targets that are available to attack and exhausts the enemy forces’ will to fight the insurgency.

H2: The Islamic State, as a transnational organization, will use “Economic War” to damage Western economic interests.

To properly evaluate this hypothesis, it is important to determine what conditions would either verify the global dimensions of “Economic War” or reject them. Frequent Islamic State attacks on infrastructure projects owned by Western states, such as oil fields managed by ExxonMobil in Iraq\(^{206}\) or Shell natural gas projects in Nigeria\(^{207}\) would demonstrate the Islamic State’s objective or targeting Western financial interests through “Economic War.” Limited evidence of attacking these sites would show the limited transnational focus of the strategy and the greater emphasis on attacking local regimes. In fact, the Islamic State only mentions that “Economic War” is pursued with an objective of attacking the West three times in its publications. I found limited evidence from Islamic State statements and attacks to support that a main motivating factor behind “Economic War” is to harm Western economic interests.


As discussed in the literature review, a core aspect of Islamic State ideology describes the group’s desire to take revenge against the Western world for its exploitation and colonization of Muslim-dominated areas. This ideology motivates a political objective for the group of weakening Western regimes and their economic influence, with the goal of increasing the relative influence of Muslim-rule populations around the world due to the weakened status of the West. This goal does not appear to be pursued strongly in the Islamic State’s central operating base in Iraq and Syria, yet seems to be prioritized in other Wilayat, namely West and Central Africa, as well as in the Sinai Peninsula. I find that several Islamic State attacks in Central Africa and the Sinai Peninsula target infrastructure projects that directly harm Western economic interests.

The first attack declared by the Islamic State as part of its “Economic War,” a targeting of the power source of an Egyptian state-owned cement factory, was carried out as part of “the economic war waged by the Mujahideen against the allies of the Crusader America.” While the primary objective of the attack was to harm the Egyptian regime’s economic output, the group’s statement indicates that it targeted the project because it was a factory used by the Egyptian which supports the U.S. armed forces. The statement may be used as a mechanism to deflect blame from the organization for harming any civilian livelihoods that were connected to the factory. By targeting the supporters of the United States in the Middle East, the Islamic State demonstrated its intent to harm the West’s strategic position in the region overall. However, this indirect logic does not truly demonstrate the Western-focused nature of the “Economic War” strategy.

208 Al-Naba 296
The Islamic State also launched a short campaign of targeting a gas pipeline between Israel and Egypt, an essential source of natural resources for the Egyptian regime. While attacks on the pipeline where not launched with the goal of harming Western interests explicitly, they were used as a mechanism to harm Israeli economic interests. During the period of the attacks, former leader Abu Ibrahim al-Quraishi declared the groups’ intentions to target the Israeli economy in order to spoil the Trump administration’s plans for Israeli actions in Palestine.\(^{209}\) Therefore, by targeting Israeli economic interests, the Islamic State sought to destabilize the Israeli regime but also other Western allies, specifically the U.S., who are deeply politically and strategically invested in Israel. Following an attack on the pipeline in February 2020, the group continued to target the infrastructure at the end of that year, expressing that the attacks occurred with the goal of exposing “the reality of commercial cooperation between the apostate (Egyptian) government and the Jewish state.”\(^{210}\) By targeting the Egyptian state’s resources, IS attempted to pursue its goal of damaging the wealth of Western-allied states, yet did not attack Israeli wealth itself, indicating the indirect method of this form of “Economic War.”

Figure 11: explosion caused by an IS attack on a gas pipeline linking Israel and Egypt

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These actions ultimately do not fully demonstrate that the explicit intention of “Economic War” in Egypt was to harm Western economic interests, as the attacks targeted infrastructure owned by local regimes that supported the West, but not Western wealth itself. The transnational dimensions of “Economic War” in Egypt would have been more evident if the group launched attacks in the Suez Canal, in which large amounts of Western-owned wealth is maintained. However, significant capabilities are required to carry out attacks on this kind of infrastructure, of which the Islamic State does not maintain. Thus, capabilities, or lack thereof, may play a significant role in the organization’s ability to amplify the global dimensions of “Economic War.”

Across its branches in Central and West Africa, the Islamic State utilized “Economic War” to attack Western economic interests based in the regions, with the goal of achieving of weakening Western economic influence and deterring their expansion into areas of Islamic State influence. Most of these attacks did not target infrastructure directly yet focused on attacking personnel associated with natural resource extraction, whose expertise is oftentimes necessary for the facility to operate. Other operations sought to create chaos in towns neighboring Western-owned resource processing facilities.

In the Democratic Republic of Congo, the Islamic State sought to draw a contrast between its “Economic War” to damage Western economic interests and a war to control valuable natural resources. Again linking “Economic War” to the group’s general attrition strategy, the Islamic State argued that “Economic War” is “the widest war of attrition directed by Muslims against disbelievers, after the direction of wars over the past decades was opposite this, where the
Crusaders stole the wealth of Muslims, plundered their goods, and drained their energies.”

Thus, by targeting the operations of Western companies operating in regions where Islamic State Wilayat are active, the group sought to damage overall Western economic success to avenge their colonial exploitation of Muslims around the world.

However, attacks on Western-owned companies rarely occurred and could have been declared as part of the group’s “Economic War” to cover up its attempts at resource extraction. For example, in Burkina Faso, IS militants kidnapped and murdered a Canadian geologist who held a major position at a gold exploration company with the goal of weakening “Crusader” access to the natural resource “which generate millions of dollars annually.” The attack was presented as representing the group’s commitment to limiting Western economic influence into Muslim lands as well as weakening Western economic gains. This statement, which included highly salient language to appeal to the Islamic State’s base (such as the use of “crusader”), could have been used as a mechanism to deflect attention away from the group’s attempts to extract gold resources themselves to provide greater financial revenues. Thus, it is unclear if the group’s operations in West Africa were focused on deterring Western expansion or focused on securing increased financial resources.

In Mozambique’s Cabo Delgado region, the Islamic State declared its intentions to destabilize the investments of American, French, and South African “Crusader oil companies.”

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At the height of ISCAP’s activity in the region in March 2021, the group was able to take brief control over Palma, a city located to near sites controlled by a French natural gas firm, Total. Following the announcement of an agreement between the Mozambican government and Total to restart gas operations in the firm’s Afungi Peninsula project, ISCAP attacked the city, damaging several banks and important pieces of infrastructure. The attacks caused another pause on Total’s operations, demonstrating the Islamic State’s strategic success in limiting French economic gains, albeit briefly.\(^{214}\) In its discussion of the attack, the Islamic State described its desire to take revenge for European exploitation of non-Western resources: “Other states, such as Britain and France... who had squatted in the area stealing the wealth of Muslims for years in complete silence before the bullets of the Islamic State dispelled this silence forever.”\(^{215}\) By linking the group’s operations to colonial oppression against Muslims and non-Western states, the Islamic State demonstrates its ideological motivations attacking Western economic interests. However, it is not evident that these operations were directly linked to the group’s “Economic War” strategy or represented another attempt to obtain territory for a caliphate, despite the attack’s ultimate failure.

Ultimately, it does not appear that the Islamic State’s main motivation to carry out “Economic War” is to damage Western economic interests due to the limited number of operations correlating to this goal, even when Western targets were available to attack. While this may be a secondary motivating factor to carry out “Economic War,” the group’s public


statements and limited action may indicate that its use of this language of attacking Western interests could act as a method to cover-up its resource extraction and territorial control efforts. Thus, limited evidence supports H2, despite the occurrence of some Islamic State operations that target Western-owned infrastructure.

**H3: When the organization’s capabilities are limited, the Islamic State will use “Economic War” as it is “cheap” and requires limited resources.**

If the Islamic State launches more “Economic War” attacks in areas where its capabilities are limited and less in which it is stronger, hypothesis three would be validated. Even if the change in usage is the same across all Islamic State Wilayat, hypothesis three may still be valid, as the increased use of “Economic War” across all Wilayat may show the power of IS leadership to direct strategy across of the entire organization. First, I will examine the capabilities of the organization as a whole and the changes in its use of “Economic War.” Next, I will examine the capabilities of three Islamic State Wilayat in which “Economic War” is most commonly used, namely in Iraq, Afghanistan, and West Africa, in order to evaluate how the use of “Economic War” changes when a Wilaya’s capabilities are dissimilar.

**The Islamic State Organization as a Whole**

Following its loss of territory from 2017-2019, the Islamic State’s capabilities have been significantly limited. While between 2011 and 2016, over 42,000 fighters joined the Islamic State in Iraq and Syria, the United Nations estimates that only 6-10,000 fighters remain across the territory.216 Although this is a significant force, Islamic State leaders clearly perceive a decline in

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their own capabilities, as they have urged the group’s fighters to avoid conventional combat engagement with Iraqi and U.S. forces to avoid greater losses.\textsuperscript{217} Furthermore, the organization has lost a significant amount of financial resources, as the U.N. estimates that the group has $25-50 million available, while in 2015 it maintained a budget of approximately $2 billion for material resources, salaries, and recruitment.\textsuperscript{218} Finally, the Islamic State has seen a roughly 60% decrease its total operations around the world since 2016, indicating the impact of its limited capabilities on the organization’s overall effectiveness (figure 12). Thus, while the organization has maintained some material resources and members, it has been limited to launching lower-level attacks in rural areas with minimal security forces. To rebuild the organization and maintain its ability to carry out operations, the Islamic State’s leadership sought to develop a “cheap” yet effective strategy to continue its operations and rebuild the organization.

\textbf{Figure 12: The Number of Islamic State Claimed Attacks per Year (2016-2021)}\textsuperscript{219}

\textsuperscript{217} Ingram, Whiteside, and Winter, “The Islamic State’s Global Insurgency and Its Counterstrategy Implications.”
\textsuperscript{219} Jihad Analytics, “3/ To Start with, It Is Interesting to Note That the Number of Islamic State’s Attacks Has Stabilised since the Fall of Baghuz (March 2019), Last IS Stronghold in Syria. The Slight Drop Can Be Explained by the Fact That the Group Didn’t Claim Most of Its Attacks in Syria in 2021. Https://T.Co/6iDDJSDBoX.”
How has the decrease in capabilities impacted the Islamic State’s use of “Economic War” from 2016-2022? As Islamic State attacks began to decline in 2017, the number of “Economic War” attacks launched by the organization increased. Particularly following the final loss of territory in Syria in 2019, the use of “Economic War” attacks increased by 203% percent across all Islamic State Wilayat between 2019 and 2021. In an article published by the Morhafat Media Foundation during the organization’s campaign targeting electrical towers in Iraq in July 2021, the Islamic State admitted that an essential factor motivating its use of “Economic War” is the “cheapness” of the attack:

“A distinguishing factor of the economic war is that in return for increasing the financial and political losses to the disbelieving governments, the mujahideen need not use many weapons and explosive materials, for it may be done with the least among resources, even a lit stick that torches a field of wheat or barley, or a hand grenade that blows up an electric tower, or a pair of scissors that cuts the wire connecting the towers.”

Thus, Islamic State leadership promotes the use of “Economic War” due to the limited resources and skills required to launch attacks. Because the group does not have the capabilities to attack “hard” targets such as advanced pieces of infrastructure, including nuclear power plants, oil refineries, and natural gas plants, the Islamic State has focused these operations on “soft” targets, whose destruction does not cause as significant of an impact on the local regime.

While the group may seek to launch attacks on hard targets, it does not have the resources to do so and thus has not attempted these operations during the examined time period. This lack of attacks on complex targets indicates the impact of capabilities on how the Islamic State carries...
out its “Economic War.” Because “Economic War” attacks against electrical towers and oil pipelines require limited resources, the group’s capabilities match the strategy and thus it is motivated to carry out these operations as they are less expensive. While any operation carries expenses and risks for the group, these material costs are much less than if the group sought to carry out complex attacks that required advanced weaponry and large amounts of fighters.

As such, the use of “Economic War” has increased across all the Islamic State’s Wilayat to demonstrate the group’s continued destructiveness yet avoid the exhaustion of its limited financial, material, and personnel resources. When examining the entire organization, hypothesis three is therefore validated, as it appears that when the group’s capabilities decrease, it increases its use of “Economic War” due to the cheapness of attacks. Next, I move to examine how the use of “Economic War” has changed across the Wilayat that it is most used.

Iraq:

Despite a decrease in the number of attacks launched in Iraq in the second half of 2020 and in 2021, “Economic War” attacks continued to increase, reaching their highest levels.\(^{222}\) Regardless of an increase in Islamic State capabilities in Iraq during the first half of 2020, the group’s ability to launch attacks in the country decreased by at least 50 percent in 2021. This decrease in operation capabilities has been caused by the strengthening of Iraqi security forces and its expansion into rural areas, typical regions inhabited by Islamic State supporters. Furthermore, the Iraqi security forces have led a decapitation campaign against IS leadership, harming the ability of the organization to plan operations and develop new strategies.\(^{223}\) Despite

\(^{222}\) Knights and Almeida.  
\(^{223}\) Knights and Almeida.
this decrease, the use of “Economic War” in Iraq increased by 67 percent in 2021, indicating the increased reliance of Islamic State militants in Iraq on this strategy.

In 2021, most attacks were launched on soft targets, such as electrical towers, electrical transformers, oil wells, and oil tankers, however approximately 10 attacks were launched on more complex targets, such as oil refineries, power stations, gas companies, and factories. These attacks were carried out using grad missiles and Katyusha rockets, which are more expensive weapons to obtain.\textsuperscript{224} However, before most attacks were launched on soft targets that do not require expensive weapons to carry out, it is evident that the group’s limited capabilities motivated it to utilize cheap attacks of “Economic War.” Therefore, even with a decrease in the group’s capabilities, the Islamic State utilized “Economic War” more frequently in Iraq due to the limited resources and personnel required to carry out attacks.

\textit{Afghanistan:}

In Afghanistan, the Islamic State’s Khorasan Province (ISKP) increased its ability to carry out operations, especially because of the U.S. withdrawal in August 2021. For example, the number of ISKP attacks in Afghanistan increased from just under 100 operations to almost 350 between 2020 and 2021. Thus, ISKP’s capabilities strengthened considerably, particularly in its number of fighters and amount of material resources.\textsuperscript{225} With these increased capabilities, one may have expected that the group’s use of “Economic War” would have been minimal during this increase. However, the use of “Economic War” in Khorasan reached its highest levels in 2021 at 26 attacks. According to my data, the attacks solely targeted government-owned oil tankers,

\textsuperscript{224} Al-Naba.
\textsuperscript{225} Jadoon, Sayed, and Mines, “The Islamic State Threat in Taliban Afghanistan: Tracing the Resurgence of Islamic State Khorasan.”
vehicles, and electrical towers, extremely soft targets that are inexpensive to attacks. Therefore, ISKP may be utilizing “Economic War” as a cheap method to carry out further destruction of the Taliban’s property along with other, more complex attacks, to launch a full-scale attritional war in the country.

Although the group increased its use of “Economic War” in 2019 while it was significantly weakened due to the loss of territory in Khorasan, it is evident that even when ISKP is strong, it still utilizes “Economic War.” This increased use may further demonstrate the strong degree of coordination between ISKP and IS-Command, as the leadership in Iraq strongly promoted “Economic War” in 2021, and as a result its use increased in ISKP.

West Africa:

Across West Africa, particularly in the Lake Chad region that borders Nigeria, Niger, Chad, and Cameroon, the Islamic State has significantly increased its activity since 2017. Since 2019, ISWAP attacks have doubled, indicating its ability to mobilize its forces and degrade local regimes across the area. However, like ISKP, the number of “Economic War” attacks in West Africa increased to its highest level, 13, in 2021, despite this strong increase in capabilities. All attacks were launched on soft targets, including electrical towers, telecommunications towers, and a water pipeline. Therefore, the attacks were inexpensive for the group to carry out. Thus, it is possible that a reduction in capabilities may not necessarily be a motivating factor for all branches of the Islamic State. Furthermore, as in Khorasan Province, the increased use of “Economic War”

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in West Africa may also demonstrate the influence of IS-Command on the strategies of its Wilayat.

Conclusions:

Through the above analysis, I have shown that across the entire organization, the use of “Economic War” is strongly motivated by the cheapness of the attacks. However, the increased use of “Economic War” in 2021 across three major Islamic State Wilayat in Iraq, Afghanistan, and West Africa show that limited capabilities are not a necessary determinant for the use of the strategy in all areas. The branches in Afghanistan and West Africa, who retained greater capabilities, continued to launch attritional attacks against each local regime’s economic interests, indicating the supremacy of the strategy directive across the Islamic State’s Wilayat. However, because most attacks launched by each Wilaya required limited resources because they were on soft targets, the Wilayat most likely carried out the attacks as it was easier to do so as compared to other complex operations. The similar increase in the use of “Economic War” across these three Wilayat may demonstrate the ability of IS-command, based in Iraq and Syria, to influence the strategy of its branches, even if capabilities across the organization differ. It also shows the constant balance that armed non-state actors face between maintaining capabilities and exercising effective strategies. Even if a strategy is cheaper, its cheapness may not be the primary motivating factor for utilizing it if there are stronger benefits associated with the strategy.

In the first quarter of 2022, we have seen a significant decrease in the use of “Economic War,” from 45 attacks in the first quarter of 2021 to just 8 during this period. Knights and Almeida propose that “Economic War” is therefore a capability that is “switched on and off” to
demonstrate the “ongoing relevance and potency of the Islamic State... an effort to say ‘we are still here,’” despite the group’s lack of territory and limited material resources. Therefore, as the group’s total capabilities increase, it may decrease its use of “Economic War” in favor of carrying out more complex, damaging attacks. For example, Afghanistan and Nigeria, two areas where the Islamic State has gained significant strategic leverage in 2022, “Economic War” has not been used by the organization. Thus, it is possible that “Economic War” is promoted by the organization’s central leadership as a temporary strategy to maintain levels of operations in the face of challenges, and as such will be utilized less as those challenges are reduced.

\textbf{H4: When the organization seeks to avoid a decrease in popular support, the Islamic State will utilize “Economic War” as a method to continue operations without causing mass casualties.}

It is not clear that an explicit motivation for the Islamic State’s use of “Economic War” is its limited impact on public support. Public support, while important to the group’s ability to recruit fighters and establish safe haven amongst Sunni Muslims, is not an essential part of the group’s strategy as compared to other Jihadi organizations, such as Al-Qaeda. In his June 2015 statement, Former Islamic State spokesman Abu Muhammad Al-Adnani declared that the true Muslims and the Mujahidin do not fear “the blame of the people, because the Lord of the people loves them. They are not concerned of how many of the people’s laws, traditions, and customs they oppose for the sake of Allah’s order. They don’t fear any catastrophes, no matter how much the people gather together against them.” The Islamic State takes a brutal stance against those

\begin{flushleft}
227 Knights and Almeida, “The Islamic State at Low Ebb in Iraq: The Insurgent Tide Recedes Again.”
\end{flushleft}
that do not submit to its exact vision of Shariah law, and therefore the group is not casualty
averse as it is unafraid to punish any dissenters or enemies.

However, the group is currently isolated from the bulk of the Iraqi public in the rural
countryside and may seek to re-engage with some local populations to increase its recruiting
abilities. As such, while historically it does not place emphasis on public opinion of its activities,
the Islamic State may be more interested in deterring any popular backlash to the organization
due to its limited capabilities. While “Economic War” attacks on critical infrastructure do not
cause significant amounts of casualties, the group does not appear to utilize the strategy as an
explicit mechanism to avoid potential civilian backlash and did not utilize the strategy less in some
areas in favor of more forceful operations.

Through my analysis of Islamic State claims of “Economic War” attacks in 2021, I estimate
that these attacks resulted in approximately 42 civilian and enemy force casualties across the
Islamic State’s Wilayat. In 2021, the Islamic State killed or wounded 8,147 individuals. In Iraq,
there were 2,083 casualties in total. Comparatively, “Economic War” results in significantly less
casualties as compared to other forms of Islamic State attacks, including ambushes, exchanges
of fire, and suicide bombings. As the Islamic State remains highly isolated and disconnected
from the broader Sunni Arab population due to its operations in rural areas and general
dissillusionment with the group, these attacks may be attractive to the organization.

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Protean Power, ed. Peter J. Katzenstein and Lucia A. Seybert, 1st ed. (Cambridge University Press, 2018), 188–208,
https://doi.org/10.1017/9781108597456.010.
231 “Summary of ISIS Activity around the Globe in 2021,” The Meir Amit Intelligence and Terrorism Information
232 Knights and Almeida, “The Islamic State at Low Ebb in Iraq: The Insurgent Tide Recedes Again.”
attractiveness derives from the ability of the strategy to a signal to the group’s potential and actual supporters, namely Sunni Arabs, of the group’s continued existence yet do not result in mass casualties, resulting in limited backlash from populations.

However, it does not appear that the Islamic State utilizes “Economic War” predominately in Sunni-dominated state-established provinces in Iraq, as hypothesized. IS utilized “Economic War” in Iraq similarly across Diyala, Kirkuk, and Salah Al-Din (figure 6), indicating the indiscriminate use of the strategy between Sunni dominated and mixed areas. Therefore, the Islamic State does not utilize “Economic War” more intentionally in Sunni-dominated or Shiite-dominated areas, launching attacks on critical infrastructure across the country on mostly regime-owned targets that are controlled by a Shiite-led state. Additionally, the Islamic State utilized more forceful attacks, such as targeted killings and roadside bombs, in Diyala, an ethnically mixed region, “Economic War” was not utilized less there. This datapoint invalidates my hypothesis that the Islamic State would utilize the strategy less to allow for more forceful attacks in areas containing more Shiite (enemy) populations.

Figure 13: The Use of “Economic War” per Iraqi State-Established Province

233 Knights and Almeida.
Furthermore, the Islamic State appears to be aware of the risks of Iraqi civilian potential backlash due its attacks on essential critical infrastructure. As such, the organization has attempted to quell supporters’ dissatisfaction through statements published in its media apparatus. In the 294th issue of *Al-Naba Magazine*, the Islamic State recognize some apparent popular resistance to the destruction of electrical resources and sought to tie its commitment to ideological and physical Jihad to dissuade backlash against the strategy. The organization unapologetically wrote,

“If some harm afflicts the Muslims from these operations, then it is included, Allah permitting, in the general jihad. The Muslims must be patient and seek the reward if something afflicts them of this, and they should renew their intentions, so that they have a share in this blessed jihad that defends their religion, honor, and sanctities from the oppression of the Rafidha.”

Thus, it does not appear that a main motivation for the Islamic State to use “Economic War” strategy is to obtain greater popular support for the organization, as it recognized the potential negative impacts of using this strategy on local civilian livelihoods. While the lack of casualties caused by the attacks is a benefit to the organization as it attempts to re-integrate itself back into local Sunni communities, it does not appear that “Economic War” is a strategy used to gain popular support for the Islamic State.

One potential motivation for utilizing “Economic War” strategy is to obtain heightened media coverage which would lead to stronger local recognition of the group’s capabilities. There have been multiple mentions of local Iraqi media statements regarding the attacks within *Al-Naba*, signifying the Islamic State’s interest in increasing media recognition of the organization. For example in article discussing the Islamic State attack’s on an Iraqi oil refinery in November 2020, the Islamic State provided a quotation from an Iraqi media outlet that recognized that the
Islamic State’s attack showed “a dangerous precedent indicating the ability of the Mujahideen to threaten vital sensitive sites.”\textsuperscript{234} Thus, an important aspect of the strategy may be to send a message to supporters of the group’s continued ability to threaten the security of the areas in which it operates.

By documenting local media statements regarding their operations, the Islamic State can demonstrate the effectiveness of the strategy by showing how the attacks intimidate the local regime, which oftentimes provides statements to local media regarding the attacks. Especially because of broad dissatisfaction with the regime, the Islamic State may seek to obtain media coverage to demonstrate local regimes’ weaknesses, indicating the group’s strength and potentially increasing popular interest in the organization.

\textsuperscript{234} Al-Naba 263.
Chapter 7: Conclusion

This thesis sought to understand the main motivations behind “Economic War,” a strategy that is increasingly emphasized by the Islamic State. I sought to analyze the puzzling nature of the Islamic State’s increased reliance on “Economic War” even as the strategy risks reducing the organization’s popular support and is not nearly as high-profile as compared to complex attacks on human targets, such as the February 2022 attack on the Al-Hasakah prison complex in Syria. I developed hypotheses that presented several motivating factors that could explain the organization’s use of “Economic War” by analyzing the Islamic State’s broader strategies in addition to factors that motivated other types of armed non-state actors to use similar strategies. I tested my hypotheses by analyzing 331 issues of Al-Naba magazine, the group’s weekly Arabic language publication, and I catalogued every Islamic State attack on “critical infrastructure” from January 2016 to August 2021. These attacks formed my universe of cases, and through the analysis of my hypotheses in Chapter 6, I sought to identify various trends and patterns within the Islamic State’s use of “Economic War.”

The first hypothesis argued that the Islamic State uses “Economic War” as part of its broader attritional strategy to destabilize local regimes, with the goal of causing a power vacuum that the organization could fill. If “Economic War” attacks involved direct conflict with enemy forces and was utilized as a blitzkrieg attack, then the strategy would not be attritional in nature. However, if the Islamic State utilized “Economic War” to progressively damage the state’s property and did not use it to directly attack enemy forces, then the strategy would fall within the group’s broader war of attrition. This hypothesis was supported by my analysis of the group’s statements regarding its use of “Economic War” as well as the targets of the attacks. It is evident
that the group promoted the strategy as part of its attritional war against local regimes in Iraqi, Syria, Afghanistan, and West Africa. The group viewed “Economic War” as a method to expose the state’s weaknesses and limit its ability to both counteract the insurgency and provide the population with public goods, increasing popular dissatisfaction with the regime. The fact that the strategy avoids direct interaction with enemy forces and focuses on constantly attacking critical infrastructure for sustained periods of time supports this hypothesis that “Economic War” is part of the group’s overall attritional strategy.

I also argued that if the Islamic State attacked every critical infrastructure target in a specific area it inhabited, then “Economic War” would solely be attritional in nature, and other motivating factors would be rendered insignificant. However, the organization did not attack every target and focused primarily on destroying soft infrastructure, indicating the organization’s potential weakness and the role of capabilities in motivating the use of the strategy. This dynamic was discussed in my analysis of the third hypothesis.

The second hypothesis argued that a main motivation for the Islamic State’s use of “Economic War” was its ability to destabilize the global economy and particularly Western states’ economics interests through an attrition strategy. My analysis found that this motivation is potentially a secondary objective of the strategy yet could also represent a mechanism of the Islamic State to deflect attention from its resource-extraction and territorial control efforts. While the Islamic State sought to target Western interests in Egypt, Central Africa, and West Africa, the group mostly focused on destabilizing local regimes. These attacks represented an effort to fulfil the Islamic State’s transnational political objectives, yet it is not entirely clear that a central motivation of “Economic War” is to attack Western interests. Ultimately, because
“Economic War” attacks on Western interests occurred much less frequently than attacks on local regimes, I deduce that the theory proposed in the second hypothesis may explain a small, secondary motivation for the use of “Economic War,” but is not central to the strategy.

The third hypothesis argued that the Islamic State utilizes “Economic War” due to its limited capabilities, as the strategy is a “cheap” method to continue operations. As shown through secondary evidence, the Islamic State’s financial, material, and human resources were significantly limited following the loss of its territory in 2019. As such, Islamic State attacks across the organization have decreased significantly since then, indicating an inability to launch complex, large-scale attacks on local regimes. Therefore, the group has utilized “Economic War,” which requires limited resources and personnel to carry out, to continue to destabilize local regimes without exhausting its limited capabilities, validating my broader hypothesis.

However, the aspect of my hypothesis that predicted that the use of “Economic War” would decrease in strong Islamic State Wilayat was not proven by my analysis, as it appears that “Economic War” attacks increased similarly across all locations. While this finding may indicate that limited capabilities are not a requirement for the use of “Economic War,” it does not negate that “Economic War” is a more attractive strategy for armed non-state actors with limited capabilities. My analysis may suggest strong strategic coordination between IS-Command and its branches in West Africa and Khorasan, as the leadership strongly promoted the use of “Economic War” in 2021, which subsequently correlated in a rise in its use across all Wilayat during the same period. Ultimately, this hypothesis was mostly validated, however individual analysis of each branch of the organization suggests that limited capabilities are not a requirement for launching
“Economic War,” and that the organization’s broad strategic direction will influence the actions of individual branches.

Finally, the fourth hypothesis, which postulated that the Islamic State utilizes “Economic War” to maintain popular support, was not effectively shown through the evidence of the Islamic State’s strategy. While “Economic War” has resulted in limited casualties amongst Iraqi civilians, this may be a beneficial byproduct of the strategy for the group’s reputation, which has sought to improve within local Sunni communities. It does not appear that the group has utilized the strategy more in areas populated by its most likely supporters to avoid causalities amongst these populations, which indicates that it is not utilized intentionally as a method to prevent against local backlash. Furthermore, it is evident that the Islamic State recognized the damage that “Economic War” has caused to its reputation due to popular dissatisfaction with losing essential resources and attempted to dissuade this disapproval by invoking ideological commitment to its broader “struggle” or “jihad.” Thus, it does not appear that this hypothesis is validated by the evidence I have collected on “Economic War.”

The table below lists my hypotheses and the results of my analysis.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Description</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>The Islamic State will use “Economic War” as an attrition strategy to weaken local regimes.</td>
<td>Supported by my analysis</td>
</tr>
<tr>
<td>H2</td>
<td>The Islamic State, as a transnational organization, will use “Economic War to damage Western economic interests.</td>
<td>Not directly supported by my analysis</td>
</tr>
<tr>
<td>H3</td>
<td>When the organization’s capabilities are limited, the Islamic State will use “Economic War” as it is “cheap” and requires limited resources.</td>
<td>Supported by my analysis</td>
</tr>
<tr>
<td>H4</td>
<td>When the organization seeks to avoid a decrease in popular support, the Islamic State will utilize “Economic War” as a method to continue operations without causing mass casualties.</td>
<td>Not directly supported by my analysis</td>
</tr>
</tbody>
</table>

Figure 1: The Results of My Analysis
As evident from the results above, my first and third hypotheses, which discussed “Economic War” as an attritional strategy that is used in times of limited capabilities, were supported by my analysis. My second hypothesis, which discussed the global motivations for utilizing “Economic War,” was minimally verified by my results, and may be a secondary factor for utilizing the strategy. My fourth hypothesis, which discussed “Economic War” as a strategy to avoid popular backlash against the organization, was not directly supported by my analysis and therefore requires more extensive research to understand how the organization manages the topic of popular opinion.

Throughout my analysis, I also identified overlap between the first and third factors influencing the group’s use of “Economic War,” attrition and capabilities. While I find that IS utilizes “Economic War” as part of its broader war of attrition against local regimes, it is possible that the group’s limited capabilities are forcing it to utilize an attrition strategy that promotes attacks on soft targets, such as electrical towers and oil pipelines. Therefore, H3, which indicates that the Islamic State (in times of limited capabilities) utilizes “Economic War” because it is cheap, may be driving H1, which argues that “Economic War” is part of the organization’s broad attrition strategy that it has used since 2019.

However, through my analysis comparing the capabilities of individual Islamic State Wilayat and their use of “Economic War,” I found that the studied Wilayat similarly increased their attacks on critical infrastructure, despite variety in strength between the branches. Therefore, it is possible that H1, the use of “Economic War as an attrition strategy, is still the strongest motivating factor as regardless of capabilities, each IS Wilaya used the strategy similarly. Throughout the thesis, it is evident that armed non-state actors must find a balance between
implementing effective strategies and maintaining capabilities, and these factors can at different times motivate an organization to use the same strategy.

**Potential Caveats**

It is possible that the Islamic State utilizes “Economic War” as other types of armed non-state actor strategy, particularly as a method to intimidate local populations. It is possible to argue that “Economic War” is utilized as an intimidation strategy to coerce local populations into submitting to the will of the Islamic State. Particularly in the Democratic Republic of the Congo (DRC), the Islamic State has attacked critical trade routes as part of its “Economic War,” harming both the local regime’s economy as well as targeting civilians. These attacks could be viewed as part of a strategy to dissuade civilians from participating in local economies for fear of attacks. However, this motivation is not evident from Islamic State publications, which serves as the basis for my analysis. Because the organization is highly isolated from its potential supporters, the organization has focused on coercing and destabilizing enemy regimes, and therefore is less likely to utilize a broad strategy of “Economic War” to terrorize civilians for fear of backlash. However, it is possible that “Economic War” is used as an intimidation strategy, yet there is not much evidence to support this argument.

Furthermore, it is possible that while the Islamic State has sought to launch “Economic War” as a method to attacking the West, attacking hard Western energy targets requires significant capabilities that the organization does not have. Therefore, it may be that the group would enhance the global dimensions of “Economic War” to attack Western economic interests if it had the capabilities to target highly protected facilities. This caveat shows the potential
interaction between H2 and H3, indicating that limited capabilities ultimately erode strategic success, even as an organization seeks to achieve a certain political objective.

The Implications of “Economic War”

It is clear from this thesis that the Islamic State poses a risk to critical infrastructure across the territory it inhabits, most particularly in Iraq. As Russia continues to wage war in Ukraine, the global oil supply chain will continue to be disrupted, which leads states to rely on other sources for energy. However, as the Islamic State continues to gain greater capabilities as it has demonstrated in the past few months, the group may seek to target more advanced pieces of oil and natural gas infrastructure to destabilize the West and the Iraqi economy more locally. Therefore, states that produce major quantities of energy resources, such as Iraq, Libya, Egypt and Nigeria, must develop greater strategies to protect their critical infrastructure from potential armed non-state actor attacks through increased troop protection, stronger technological defenses, and through implementing broader programs that prevent against violent radicalization. Although the Islamic State has not claimed an attack in Algeria since 2019, the Algerian government should be wary of a rise in IS attacks on its natural gas production systems as the state is one of the world’s leading producers.235

In this thesis, I argue that as the Islamic State gains greater capabilities, it will utilize “Economic War” less, as has been seen through attack documentation in the first quarter of 2022. However, it is possible that with enhanced resources and new leadership, the group may innovate in its use, as it has been known to do in the past. Particularly as the Islamic State gains

greater capabilities, it may pursue strategies in the cyber realm, which poses significant threats to critical infrastructure around the world. Thus, it is essential for countries to collaborate in protecting their critical infrastructure systems from destabilizing attacks that could not only harm local populations but also communities around the world.

Overall, this thesis demonstrates the strategic flexibility of the Islamic State, as well as its ability to persevere and to continue to create chaos in the face of significant material and strategic setbacks. As has been discussed in other studies, the Islamic State has an innate ability to innovate in its tactics and adopt new strategies when it faces different obstacles. This thesis has demonstrated this ability once again through the group’s use of “Economic War,” shedding light on the resilience of the organization. Future studies should consider the potential impact of “Economic War” on other areas of Islamic State activity, as well as how the organization will grow as advanced technologies become more easily available. By producing a completely original analysis on a previously unstudied strategy of the “Islamic State,” I hope to provide both policymakers and scholars more information on Islamic State activities as well as future areas of counterterrorism policy.


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